

Assessor's Parcel Number:  N/A

Date:  APRIL 19, 2018

Recording Requested By:

Name:  MEGAN EVERETT, COUNTY MANAGER'S OFC

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Real Property Transfer Tax: \$  N/A



KAREN ELLISON, RECORDER

MEMORANDUM OF UNDERSTANDING #2018.061

(Title of Document)

**MEMORANDUM OF UNDERSTANDING**

DOUGLAS COUNTY  
CLERK  
*[Signature]*

**For Creating a Viable Path to Achieving  
Affordable Housing for Douglas County, Nevada**

This MEMORANDUM OF UNDERSTANDING is entered into by and between **NEVADA RURAL HOUSING AUTHORITY**, a political subdivision of the State of Nevada (hereafter “NRHA”) and **Douglas County, Nevada**, a political subdivision of the State of Nevada (hereinafter referred to as the “County”), or hereinafter referred to collectively as “the Parties”.

**RECITALS**

**Whereas**, The County has identified the need to support the development of both affordable housing and those project/community based amenities required to support such housing within Douglas County, and in accordance with the County’s acknowledgment and adoption of certain requirements pertaining to the development and support of affordable housing initiatives within the County; and,

**Whereas**, The County seeks to pursue development opportunities with the support of NRHA, and others, to meet the growing housing and community needs of its citizens. Further, the County and NRHA both desire to form a mutually beneficial relationship that will create quality affordable housing opportunities for those who presently reside in and around Douglas County, Nevada, with a primary focus on providing affordability in association with the development of new housing products and/or the rehabilitation of existing housing stock, with specific focus on workforce, senior and special needs housing initiatives aimed at creating quality affordable housing alternatives, and supportive project/community based amenities for these segments of its population; and,

**Whereas**, NRHA has provided representatives of the County with information from NRHA’s most recent Housing Study Update for Douglas County Nevada. The report, dated November 2016, as prepared by Vogt Strategic Insights (“VSI”) of Columbus, Ohio, identifies the difference between the current affordable housing stock and the projected demand for additional affordable housing in Douglas County; and,

**Whereas**, The Parties to this agreement desire to work together to develop affordable housing and supportive project/community based amenities on undeveloped land sites and/or the rehabilitation of existing building structures located within Douglas County. This effort is intended to provide and/or foster various types of affordable housing initiatives (hereinafter referred to collectively as the “Initiative”). Any undeveloped land sites and/or existing building structures to be identified for use in connection with the Initiative may consist of undeveloped land or improved properties acquired by or from individual property owners, and/or undeveloped land or properties situated within the defined area of the County’s jurisdiction that have been or may be donated or contributed to Douglas County, NRHA or other relative government authority, and/or otherwise acquired by Douglas County, NRHA or other relative government authority; and,

**Whereas**, Should the local High School(s) or trade school(s) in Douglas County desire to offer vocational training programs in the housing construction trades, as a part of the long-term development goals associated with vocational training and the development of “Single Family” designed affordable housing practices, directed at achieving affordable home ownership results, the County and NRHA, in cooperation with those institutions of education, and local business and industry, will be committed to expanding or developing such program(s) by providing some lots or land parcels within future undeveloped land sites (if and when available) to support these types of building and construction training and educational based affordable housing programs. While the Parties do recognize that they may need to commit future undeveloped “Single Family” land sites or specific “Single Family” land parcels within a defined development site to support these types of training and educational programs, including, but not limited to, undeveloped land sites made available for this specific purpose by the Douglas County School District or other educational based government entity or non-profit organization, the Parties intend that this qualified support for these types of educational programs will always be limited to the Parties access to, or the actual availability of, undeveloped land located within Douglas County, Nevada; and,

**Whereas**, NRHA, through its Community Development Group and associated community partners, desires to assist Douglas County in its efforts to develop quality affordable housing opportunities in the process of effectively developing the Initiative, and NRHA has the expertise to advise, guide and assist the County as it explores the means to address affordable project development and rehabilitation initiatives, establish meaningful and long-lasting affordable housing land use restrictions, monitor or oversee the production of quality affordable housing product design characteristics, identify project improvement based cost-effective delivery methods, and to seek and to secure the lower-cost financing vehicles that will be required if the proposed housing projects in connection with the initiative that are to be realized.

**IT IS, NOW THEREFORE, MUTUALLY UNDERSTOOD BY THE PARTIES AS FOLLOWS:**

**1. The Initial Start-Up Period and The Formation of an Affordable Housing Task Force:**

As soon as possible, following the effective date of this agreement (hereinafter referred to as the “**Start-up Period**”), The County and NRHA will participate in a series of discovery meetings to be held in Minden or Gardnerville, Nevada between County representatives (as determined by the County Manager), and any appropriate County officials and those representatives from local business and industry as may be required by the County to allow the Parties to this MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the “MOU”), to better understand community dynamics and the community’s priorities for addressing the immediate and on-going need to identify, establish and maintain an adequate level of affordable housing stock within and/or in close proximity to its local area of jurisdiction. This collective group of individuals shall hence forth be referred to as the “Housing Task Force for Douglas County” or “Task Force”. The initial goal of this Task Force will be to realistically establish the following:

- A. Current pricing for affordable housing in the area or areas where it will have been determined that any affordable housing to-be-developed or supported in connection with the Initiative would be best situated, and should be provided; and,
- B. Establish a process by which NRHA can and will assist Douglas County in its on-going efforts to transition qualified real estate owned assets into viable and reliable affordable housing initiatives. This effort is anticipated to lead to the establishment of a formal and separate agreement between the Parties that will empower each to act on behalf of the other party in a manner consistent with the intent of this MOU as generally described in EXHIBIT “A” to this MOU entitled: “*The Establishment of a Working Relationship Between the NRHA and Douglas County, Nevada*”; and,
- C. Identify the availability and viability of specific undeveloped land sites, and/or existing improved property required to initially support Douglas County’s affordable housing initiative in those defined areas; and,
- D. Establish an “initial & preliminary” working list of “realistically proposed housing development initiatives”. This list of potential affordable housing projects will be created utilizing specific guidelines that will need to be established. Those guidelines would include, but will not necessarily be limited to, an in-depth discussion and follow-up analysis of the following:
  - The availability and application of lower-cost project financing resources,
  - The creation and potential infusion of affordable rental/leasing and homeownership mortgage and mortgage down payment assistance programs for current property owners and builders of both single family and multifamily properties,

- Incentives for property owners to adopt project-based affordable housing initiatives,
- Lease-to-own homeownership alternatives,
- The need for project equity and alternative project funding resources.

All of these major categories and discussion points are aimed at the new development of undeveloped land sites, the rehabilitation of existing housing projects, and/or a combination of both of these affordable housing production options, with a clear focus on fostering and aiding in the establishment of effective and results oriented affordable housing initiatives within the County, focusing specifically on those affordable housing project initiatives that will fully conform with the provisions of its Master Plan.

## **2. The Creation, Adoption and Implementation of Affordable Housing Guidelines for Douglas County, Nevada:**

Immediately following the completion of those meetings held during the Start-up Period, or as soon thereafter as possible, NRHA will prepare a written summary of the interactive elements of affordable housing based on site development objectives, project design, supportive needs assessments, leasing and ownership obligations and incentives, and those financing alternatives that will collectively be required to identify a specific development plan for future proposed sites or existing properties to be placed under specific consideration with respect to proposed affordable housing development efforts in Douglas County. NRHA will then prepare and distribute an “INITIAL Draft” outline setting forth *“Douglas County’s Guideline for The Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”*. This document will serve as the guiding document for all affordable housing initiatives supported by Douglas County with respect to any applicable land sites or existing residential projects that in the future will be identified as potential affordable housing initiatives based on the visioning information provided by the Affordable Housing Task Force in conjunction with those meetings held during the Start-up Period.

Upon the Task Force’s receipt of NRHA’s “INITIAL Draft” of *“Douglas County’s Guideline for the Utilization of Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”*, the Task Force will review and provide appropriate comment and feedback to NRHA on the “INITIAL Draft” document, for any future development sites or rehabilitation projects that may be selected and/or placed under consideration for various types of proposed affordable housing initiatives respectively. Within a reasonable period of time following NRHA’s receipt of the official first comments from the Task Force regarding the *“Douglas County’s Guideline for the Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”*, NRHA will prepare a “REVIEW Draft” of the document that will include any necessary modifications, and incorporate, to the best of its ability, those written comments and opinions provided by the Task Force. NRHA will forward the “REVIEW Draft” to the Task Force for a

final review of the documents (*complete with any necessary attachments, exhibits and the like*), and will make the recommendation to move to the adoption of a finalized document (the “FINAL Draft”).

Within a reasonable period of time following NRHA’s receipt of written comments and opinions on the adoption of a “FINAL Draft” of ***“Douglas County’s Guideline for the Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”***, the Task Force will make its final recommendations to NRHA for document completion. Upon NRHA’s finalization of the County’s affordable housing guidelines document, NRHA will submit the document in its final form to those authorized representatives of the County, the Task Force for Douglas County, and any third party interest(s), who then will submit within ten (10) working days their final comments and considerations to NRHA for finalization of the County’s affordable housing guidelines document.

NRHA will make the final necessary adjustments to the proposed document and immediately thereafter submit the “FINAL Draft” of ***“Douglas County’s Guideline for the Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”*** along with its comments and recommendations to the Task Force, the County, and those authorized representatives of any third party interest(s) participating in this document review process for their final approval.

**3. The County’s Formal Adoption of its Affordable Housing Guidelines:**

The actual finalization of ***“Douglas County’s Guideline for the Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”*** will be subject first to having obtained the Douglas County’s County Commission formal approval and adoption of those guidelines, including the need for any formal public notice requirements or public comment in connection with the open meeting laws as established in and by the State of Nevada. The formal presentation to Douglas County Commissioners shall be made jointly and in cooperation with NRHA and the Task Force. The actual distribution of the formally approved and adopted document will include the Parties to this agreement, the Task Force, any authorized representatives of any third party interests applicable to Douglas County’s formal processing, approval and ultimate adoption of the proposed guidelines, and those representatives of the business community at large that the Parties to this MOU may jointly deem it necessary and appropriate to include.

**4. Enactment of Specific Affordable Housing Land Development or Project Rehabilitation Efforts:**

The Parties agree to work toward the establishment of a future working agreement between Douglas County and NRHA, specifically designed to implement ***“Douglas County’s Guideline for the Utilization of Undeveloped Land Sites and Existing Project Rehabilitation for Affordable Housing Initiatives”***

The Parties to this Memorandum of Understanding agree that both parties shall, to the best of their ability, use, and/or otherwise apply for, those public funds that are, or that may in the future, become available whether through various private or public grant funding sources, various types of local government, state or federal housing funding development assistance programs, private or public contributions, and/or the like in an effort to offset the parties' out-of-pocket costs to be incurred in connection with the execution and performance of the business matters identified and set forth in this MOU. Further, any such funds that may be obtained in connection with the Initiative, and/or utilized to fund the Initiative, either in whole or in part, shall be applied first, to any use of funds requirements as set forth in those source funding documents governing the use and application of any such funds advanced, and second, to the recovery of those costs to be incurred by the parties as prescribed to in this MOU.

It is further understood and agreed that any additional predevelopment or development costs, agreements, or contracts, either for locating and/or obtaining financial assistance or otherwise, will be separate and apart from the completion of NRHA's duties outlined in this Memorandum of Understanding.

Subject to and without waiving the limitations in NRS Chapter 41, NRHA covenants and agrees to indemnify, defend, and hold harmless Douglas County and its authorized representatives from and against any and all claims, suits, losses, judgments, damages, and liabilities including any investigation, legal, and other expenses incurred in connection with any amount paid in settlement of any claim, action, suit, or proceeding, to which the County may become subject, unless such claims, suits, losses, judgments, damages, and liabilities arise out of or are based upon the willful misconduct and/or gross negligence of the County, and/or that of its authorized representatives.

Subject to and without waiving the limitations in NRS Chapter 41, Douglas County covenants and agrees to indemnify, defend, and hold harmless NRHA from and against any and all claims, suits, losses, judgments, and damages, and liabilities including investigation, legal, and other expenses incurred in connection with any amount paid in settlement of any claim, action, suit, or proceeding, to which NRHA may become subject, unless such claims, suits, losses, judgments, damages, and liabilities arise out of or are based upon the willful misconduct and/or gross negligence of NRHA, and/or that of its authorized representatives.

Either party may withdraw from this MOU with or without cause at any time provided that the termination shall not be effective until 30 days after the respective party has been served written notice of termination. The Parties understand and agree that if funding for any of the work included herein has been obtained, and is then withdrawn, or otherwise eliminated or significantly reduced by the funding source, and the notice of withdrawal specifies that as the reason therefore, such a withdrawal shall be effective immediately. This provision shall apply to specific transactions such as future modifications or changes to this MOU and the like, or this entire MOU itself should the need for withdrawal by either party arise. However, both Parties further understand and agree that any such withdrawal will not eliminate or otherwise relinquish either party's entitlement to the

recovery of costs incurred up to the effective date of any such withdrawal as provided for in this MOU.

This MEMORANDUM OF UNDERSTANDING is effective this 20th day of July, 2017.

*By and Between,*

**NEVADA RURAL HOUSING AUTHORITY**

By: \_\_\_\_\_

D. Gary Longaker

Title: Executive Director

Date: \_\_\_\_\_

*and,*

**DOUGLAS COUNTY**

By: *William B. Penzel*

William B. Penzel, Chairman

Title: Douglas County Board of Commissioners

Date: 7/20/17

Attest: *Kathy Lewis*

Kathy Lewis,  
Douglas County Clerk



recovery of costs incurred up to the effective date of any such withdrawal as provided for in this MOU.

This MEMORANDUM OF UNDERSTANDING is effective this 20<sup>th</sup> day of July, 2017.

By and Between,

**NEVADA RURAL HOUSING AUTHORITY**

By: [Signature]  
D. Gary Longaker  
Title: Executive Director

Date: 7-20-2017

and,

**DOUGLAS COUNTY**

By: [Signature]  
William B. Penzel, Chairman  
Title: Douglas County Board of Commissioners

Date: 7/20/17

Attest: [Signature]  
Kathy Lewis,  
Douglas County Clerk

Douglas County

State of Nevada

**CERTIFIED COPY**

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

19<sup>th</sup> day of July, 2018  
By: [Signature] Secretary