

## RESPONSE TO QUESTIONS (NO. 1)

Churchill County provides the following responses to questions received concerning the RFP released for the affordable housing project on Coleman Road, Fallon, Nevada.

The questions are presented in black followed by the responses in red.

Some of the questions don't have final answers at this time but the County felt it was important to select a developer partner with enough lead time to be able to apply in next year's Housing Division 9% tax credit program. Once the County Commission selects its developer partner, they will negotiate the finer points of an agreement.

- Parcel 008-301-12 is 26.21 acres - Where, specifically, is the 10 acres mentioned in the RFP located? Please provide scaled drawing showing the extents of the proposed area.

The parcel you visited is 26.21 acres. The County will carve out up to 10 acres for the project where it best makes sense for the developer and County. The County is currently in negotiations to purchase the narrow adjoining parcel to the South. Once purchased, the County will build a connector road off of Coleman Rd heading northeast to link future residential and commercial properties. Once the road alignment is determined, the developer and the County will agree to the best access for the project and the specific parcel. If the County doesn't build the connector road, it will still be able to negotiate a 10 acre site off Coleman Rd with the chosen developer.

- The RFP requests developers to propose 60-70 units developed in two phases. It may not be possible to develop 30 units of affordable housing in a rural county with the tax credits and HOME funds that are typically available, especially with the added development cost of paying prevailing wage. Would Churchill County want to mix in some market rate units and serve higher income households so that more units can be developed, or reduce the numbers of units and serve lower income households?

The chosen developer should do their best to maximize the number of affordable units using the State 9% tax credit program. That means this can be built with a future additional phase(s) in mind. The goal is to get up to 60 total units of affordable housing on the property. If a developer comes up just short because of the Housing Division program, we understand that the numbers may be affected. Please note that in any negotiation with the County if you are selected. We have been informed that there is a rural "set-aside" each year offered by the Nevada Housing Division. We are hoping that our developer wins that set-aside for this rural project. To your question of whether additional market-rate apartments can be built on the property, that might be best answered during the negotiation with the County. As for prevailing wage, the County is required to use it because it is providing land to the developer for free. Perhaps if the developer purchased the land at appraised value from the County prevailing wage might not be required. The free land is hoped to offset the higher costs of construction. If the Nevada Legislature provides a way for a County or City to donate land for an affordable housing project without triggering the prevailing wage law, please let us know.

- (This relates to the question above) The Housing Needs Assessment prepared last July is pre-COVID and offers considerable support for the need for workforce housing due to anticipated military and commercial expansion. Does that study still reflect the current needs of the community?

The need for multi-family apartments has grown since the survey. The Navy projected an additional 250 full time jobs at the Naval Air Station Fallon. They have recently projected a much larger job growth. 1,166 new jobs! Here is the latest projections from the Navy:

**A. Installation Need**

Naval Air Station Fallon is designated as a Critical Housing Area (CHA) by the U.S. Navy, the only such current designation for any base in the United States. Family housing has been a significant issue for the past five years in spite of the Navy’s negotiated Public-Private Venture (PPV) contract with Lincoln-Clark to develop 219 family homes. Over the past four years, some recapitalization has been incurred, and unfortunately, this project has been slow to complete. The last Housing Requirements Market Analysis (HRMA) Preliminary Report dated 17 April 2020 stated that PPV family housing reflected a 226-home deficit for the installation itself during 2020. The deficit for unaccompanied service members during 2020 is greater, at a deficit of 271 homes. The HRMA assumes the community can absorb these deficits, but the lack of recent investment from developers to construct residential units, along with the challenges faced from lack of infrastructure has resulted in an inability of the community to support the home deficit absorption.

The HRMA only addresses military members. NAS-Fallon has and will experience growth over the next five years to support evolutionary improvements to weapon systems as well as tactics, techniques, and procedures from technological advances. The need for a superior defense in the current geopolitical environment cannot be understated. Therefore, initiatives to improve weapon systems, training facilities, and combat readiness are underway to meet those challenges from near peer competitors. Some of those initiatives will require more active duty service members (with dependents), civil service, and contractor personnel to support the future sustainability and growth of NAS-Fallon. Personnel increases for all demographic groups will be significant. These personnel increases will also place additional local area housing market pressures by creating a larger demand.

	<u>FY2020</u>	<u>FY2025</u>
Active duty military/Reserves	1,131	1,672
Civil service	611	622*
Contractors	<u>823</u>	<u>1,437*</u>
Total	2,565	3,731

In addition, 22% of current Naval Air Station Fallon employees commute each day from another county because they can’t find enough nice affordable or market rate units in Fallon.

- Does Churchill County already have a preferred developer in mind?

No. That is why the County has issued it's RFP. It's a clean slate.

- Does an approved master plan exist for the parcel indicated in the RFP (008-301-12)? If yes, will Churchill County make this available for our use?

Churchill County purchased this agricultural land last year for the purpose of building multi-family affordable housing on it. The County will of course zone it appropriately once a developer applies to build the project. It's in the County's best interest to work with the developer to achieve the goal of affordable housing.

- Does the county have an architectural preference for building scale? i.e. one-story or two-story - duplex, fourplex, or larger apartment homes?

We have previously discussed the need for a new apartment complex in the County. There are no traditional apartment complexes in the County. The County envisions that It can be a two-story apartment complex on that parcel. It's up to the developer to choose the right mix of unit types. Certainly 1 bedroom and 2 bedroom units will make up the majority but a couple larger units might be acceptable for families.