

**City of Henderson
REDEVELOPMENT AGENCY**



**Downtown Residential
Development Program
and Guidelines**

*Approved 6/21/2016
Approved 04/18/2017*

City of Henderson Redevelopment Agency Downtown Residential Development Grant Program

This Program is established to increase access to Redevelopment funding to facilitate transformation in the Water Street District Area for residential improvements in the Downtown Redevelopment Area and attract new residents to the area. Much of the residential inventory in the Downtown area was built in the 1950s as temporary housing to support the war effort. Values of homes in the area are significantly lower than compared with the rest of the city. According to Nielsen Market Insights, median housing value in Downtown Henderson as of December 2015 is \$133,557, compared to \$249,096 for Henderson as a whole. The level of spending from this grant program, which is designed to create new housing product, increase density, and raise property values for the neighborhood, should compare very favorably with the private investment that will occur from participants and the increased tax revenues that should eventually be seen by the City resulting from the improvements.

Residential Development grants are subject to funding availability. Approval, denial, or modification authority lies with the Redevelopment Agency board.

This Program is created to further the mission of the Redevelopment Agency by providing access to funds to assist in constructing new single family residences or two-family, three-family or four-plex, five-plex or six-plex structures in the Water Street District of Downtown Henderson. Funding is available for both owner- and non-owner-occupied-units.

The construction of new housing and increased residential density will facilitate the availability of housing to employees of new and existing businesses in and surrounding the redevelopment area, which also expands the opportunity to increase local revenues from desirable sources by providing housing opportunities to potential employees. Further, new residential projects will require skilled labor and a potential opportunity for construction jobs for surrounding and nearby residents. Moreover, occupied new housing on formerly vacant, dilapidated and/or outdated housing stock has the added benefits of increasing human activity in the neighborhood and also increasing the value of surrounding properties by virtue of the new improvements. The Agency has determined that new residential construction within the Downtown Redevelopment Area will benefit the redevelopment area and the immediate neighborhood and that under current conditions Agency financial assistance is needed to attract and facilitate investment in the Downtown Redevelopment Area.

Grant awards are based on both the design and planned improvements. Grant awards can only be used for permanent physical building and site improvements. Applications must include details of ALL existing conditions and planned improvements, including building materials, finishes, landscaping, and perimeter walls. Existing chain-link fences on subject sites must be removed as part of the improvement process. Applications must also include an explanation of how the development will benefit the redevelopment area or immediate neighborhood, and what attributes make the project unique with regard to quality and design.

All applicants are required to participate in a third-party financial due diligence review by the National Development Council, which is paid for by the Redevelopment Agency. That review, in part, must confirm that no other reasonable means of financing the project are available and that without Redevelopment funding assistance, the project is not feasible. The level of incentive will be determined by the Redevelopment Agency board based on information provided by the applicant with a recommendation by the National Development Council. To be eligible for this Program, the applicant must be the legal property owner or in escrow to purchase the property at the time of application. Each application will be reviewed by the Redevelopment Agency Advisory Commission, who shall make a recommendation to the Redevelopment Agency board, before the application is presented to the board.

I. GENERAL INFORMATION

1. Applicants

- a) Applicant must be the property owner or in escrow to purchase the property.
- b) Residential Development Grants are subject to funding availability. Approval, denial, or modification lies with the Redevelopment Agency board. Board decisions are final.
- c) Applicant must have no other reasonable means available for financing those buildings, facilities or other improvements. No other reasonable means of financing is defined by one or more of the following:
 - i. An inducement for the required investment is necessary to improve the residential lot. This is evidenced by a “but for” letter or statement from the applicant explaining that but for redevelopment assistance, the project is not feasible, and supported by the financial review from the NDC.
 - ii. There has been a lack of rehabilitation in the area and it is deemed unreasonable for the applicant to invest in improving the area unless the grant is provided. This is evidenced by photographs of the immediate surrounding area displaying blight.
 - iii. There is a gap in financing as demonstrated by a report provided by the National Development Council.

2. Project Scope

- a) The project must be located in the Downtown Master Plan Area, per the attached map. (See Attachment “A.”)
- b) The project site can be a vacant lot.
- c) The minimum size of the dwelling units is determined by the Downtown Master Plan.
- d) Funding is available for both owner- and non-owner-occupied residential units.
- e) The project can be for single family, single family with an accessory unit, duplex, triplex, four-plex, five-plex, or six-plex structures.

- f) Properties affected by unresolved code enforcement issues or actions are not eligible for participation under this program unless the application specifically addresses how the improvement(s) will resolve the code enforcement issue(s).

II. IMPROVEMENTS

1. Eligible Improvements may include:

New construction of primary structures, including landscaping, fencing, and parking.

- 2. The Agency reserves the right to require certain minimum improvements as part of the program in order to meet the objectives of the Agency. For example, landscaping improvements may be required as part of a project application even though not part of the request submitted by the applicant, if determined by the Redevelopment Agency board to be necessary.
- 3. **The Agency and other appropriate City departments must approve all improvements.** Improvements must comply with all City building codes and architectural standards.
- 4. **Applicant is not to begin any improvements to the property before the Grant Agreement is approved and signed by the Agency.** Any improvements incurred prior to the execution of the Grant Agreement may not be eligible for reimbursement.
- 5. **Projects must comply with the adopted Downtown Master Plan and Design Guidelines listed below.**

III. DESIGN GUIDELINES

The following Design Guidelines apply to all applications to receive funding through the Water Street District Residential Grant Program. All improvements must be approved by the Redevelopment Agency board prior to commencement of improvements in order for grant funds to be used for said improvements.

- 1. Fencing improvements are required any time an existing wall or fence is in a condition of disrepair. Grant funds may be used for the replacement of existing fencing or construction of new fencing/walls. If chain-link fencing exists on the site, as part of the construction improvements, the chain-link fence must be removed. Grant funds may be used for the replacement of chain-link fencing with an alternative wall or fence type.
- 2. Landscaping improvements are required any time it is determined by the Redevelopment Agency board that existing landscaping is not adequate. The following minimum landscape requirements apply to all sites that receive grant funding. If listed improvements are inadequate, the improvements must address the deficiencies:

- a) All landscaping must be on an automatic drip irrigation system.
- b) A minimum of two (2) trees, 24” box or larger, must be provided in the front yard area from the Water Smart Landscapes Program Plant List published by the Southern Nevada Water Authority. A link to the list is provided at the end of this Section. The Redevelopment Agency board may make exceptions to plant species type for existing vegetation.
- c) A minimum of one (1) bush is required in the front yard area for every 250 square feet of unimproved yard area from the Water Smart Landscapes Program Plant List published by the Southern Nevada Water Authority. Unimproved yard area is any area not paved for the purpose of vehicular parking or improved patio area.
- d) All front, side, and rear yard areas must use materials to prevent weed growth. Examples of suitable application include weed cloth with landscape rock on top, which is a minimum of 2” deep.

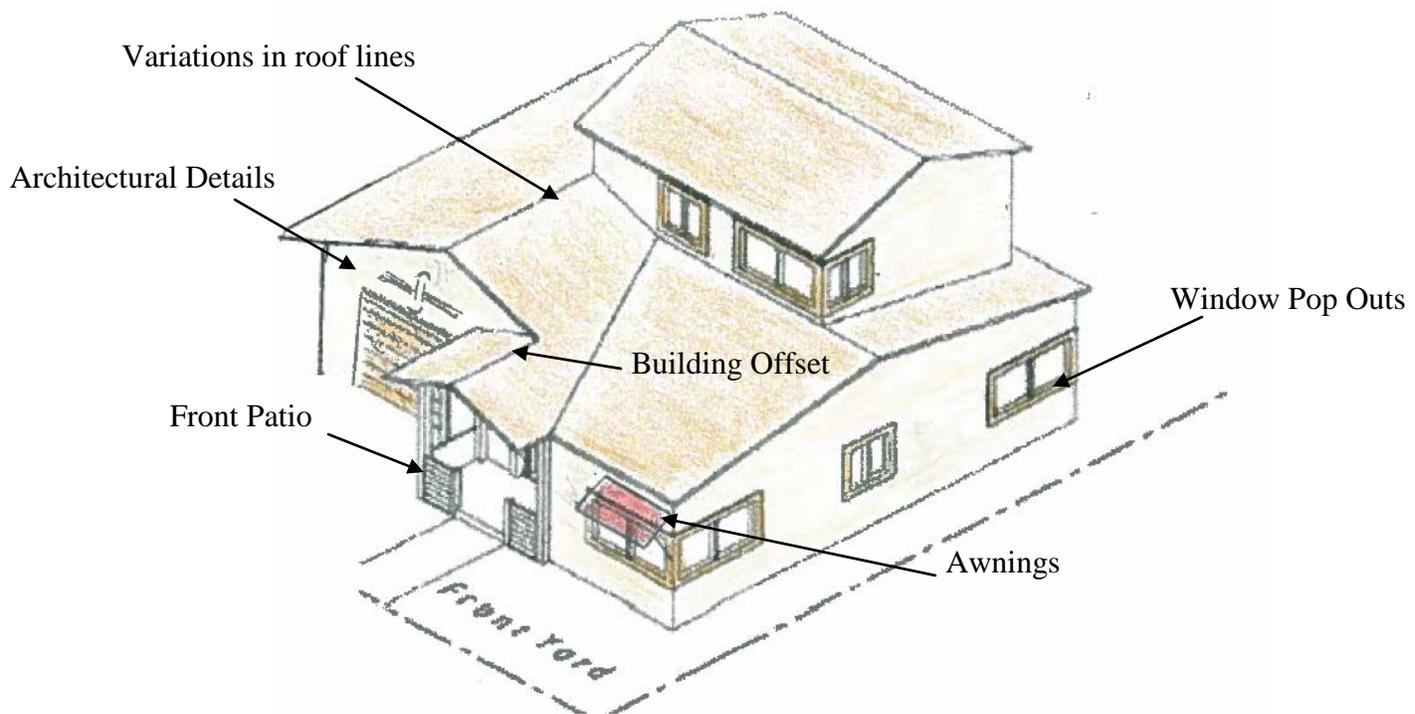
http://www.snwa.com/assets/pdf/wsl_plantlist.pdf

- 3. The following Architectural Design Guidelines apply to all applications requesting grant funding:
 - a) Paint colors must be approved by the Redevelopment Agency board. A minimum of two different colors of paint must be provided on the exterior façade.
 - b) A minimum of two architectural enhancements are required on the front façade of a structure. If the rear façade is visible from a public right-of-way, a minimum of two architectural enhancements is also required.

Architectural enhancements include but are not limited to:

- i) A change in texture or material, provided all exterior wall textures and materials are consistent with the overall architectural style of the dwelling;
- ii) Use of offsets or insets, bays, or other similar architectural features to add a variety of depths to the wall planes;
- (iii) Use of balconies, overhangs, or covered patios;
- (iv) Variations in roof lines, such as a gable or dormer;
- (v) Door and/or window placement, provided windows are similar in size and orientation as those found on most of the dwellings on the same block;
- (vi) Architectural embellishments;
- (viii) Any other technique approved by the Redevelopment Agency board.

Note: The following graphic represents some of the identified design standards listed above.



IV. GRANT TERMS

1. Grant Award

a) Each application will be evaluated based on the merits of that application and these Program Guidelines. Eligible improvements will be determined by the Redevelopment Agency board based on the criteria set forth herein.

i. Owner and Non-Owner occupied units - The grant amount is the lesser of 20% of the total cost of the project or up to \$24,500 per dwelling unit.

Note: For purposes of this grant program, a dwelling unit is defined as “One or more rooms designed, occupied, or intended for occupancy as separate living quarters, with a single kitchen, sleeping, and bathroom facilities for the exclusive use of a single household”.

2. Disbursement of Grant Funds:

Grant funds are generally paid as a reimbursement for completed improvements unless otherwise expressly approved by the Redevelopment Agency board and demonstrated as necessary by the applicant at the time the application is considered by the Redevelopment Agency board. Grant funds will be disbursed upon:

- a) Inspection and approval of completed improvements by Agency staff.
- b) Receipt of copies of acceptable (at the Agency’s sole discretion) lien releases from all applicable parties.

- c) Receipt and review of **all** invoices for improvements by Agency staff.
- d) Receipt and review of cancelled checks indicating payment to contractor(s).
- e) Approval of a final inspection from the City of Henderson Building and Fire Safety Division.
- f) Where applicable, issuance of a Certificate of Occupancy by the City of Henderson Department of Building and Fire Safety.

V. BIDDING/CONSTRUCTION

1. Applicant shall put the job out to bid. At least two competitive bids must be obtained. In order for any bid to be acceptable, it must be received from a contractor licensed to do business in the State of Nevada. Applicant is responsible for selecting a contractor and executing the corresponding construction agreement. Any contractor not licensed in the City of Henderson at the time of bid, must obtain a Henderson business license prior to performing work.
2. City of Henderson Redevelopment Agency must approve the winning bid and the contractor prior to the execution of the construction agreement.
3. **Permits for building improvements must be obtained.**
4. Contractors licensed by the State of Nevada must construct all work. All contractors must have a valid City of Henderson business license and adequate bonding for the work to be performed.
5. **All improvements must be completed within nine (9) months** of execution of the Grant Agreement unless a written extension is granted by the Agency. Failure to meet this deadline may result in the cancellation of all City of Henderson Redevelopment Agency obligations regarding the reimbursement of any eligible past or future costs in connection with the design or construction of the improvements.

Residential Development Grant Process Flow Chart

