



**NEVADA** AFFORDABLE HOUSING  
ASSISTANCE CORPORATION

# Provider Proposal

## Community Land Trust

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### Submitted By:

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## **A. Introduction**

Nevada Affordable Housing Assistance Corporation (NAHAC) is pleased to submit its proposal to Clark County for consideration to administer the Community Land Trust (CLT) program.

In 2003, the Nevada Housing Division (NHD), Department of Business and Industry formed Nevada Affordable Housing Assistance Corporation (NAHAC), a non-profit organization to provide subsidies or other benefits to targeted populations within the State. The NAHAC Board consists of three representatives from the Department of Business and Industry, which constitute a majority of the board, to provide oversight of the organization.

NAHAC successfully administered the Nevada Hardest Hit Fund (HHF). In February 2010, President Obama established the Hardest Hit Fund to provide targeted aid to families in states hit hard by the economic and housing market downturn. Funding was obtained from and monitored by The United States Department of the Treasury (Treasury). Nevada received an allocation of approximately \$200 million to assist qualified homeowners. The mission was to provide funds, subsidies and/or other benefits to Nevada homeowners or other targeted groups of individuals in Nevada to assist with affordable or subsidized single or multi-family housing. The HHF assisted 9,200 unique households and expended all program dollars, which included 2,200 households that were assisted in purchasing a home through the Down Payment Assistance program. NAHAC met its dual goals of housing market stabilization and foreclosure prevention as it demonstrated that nearly 98 percent of program participants maintained homeownership of their primary residence at least two years after receiving HHF assistance.

A similar program was recently created under the American Rescue Plan Act (ARP) of 2021 that provided \$9.9 billion nationwide for the Homeowner Assistance Fund (HAF) to mitigate financial hardships associated with the COVID-19 pandemic to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities, home energy services, and displacements. Treasury awarded Nevada approximately \$121 million to fund the Nevada HAF program. NHD was chosen by Treasury as the State Housing Finance Agency, and NHD selected NAHAC to administer the Nevada HAF program.

NAHAC quickly acquired staff, designed, developed, and implemented systems, procedures, and program requirements needed to begin operations under the HAF program in short order. As demonstrated through the administration of the HHF and HAF, NAHAC possesses the required knowledge, skillset, and professional relationships to kick start the CLT project with strong and proven executive leadership, understanding of the need for local and federal oversight, reporting requirements, and the ability to scale up quickly to serve constituents.

## **B. Scope of Work**

Clark County is seeking a Provider to administer the CLT that will create, steward, and preserve a permanent supply of affordable homes in multiple neighborhoods across the County to ensure that Clark County neighborhoods are diverse and inclusive. The CLT's primary mission will be to provide homeownership opportunities for low and moderate income households with resale restrictions to assure long-term affordability of such homes.

NAHAC will offer its administrative services on a fee-for service basis to administer the CLT and shall have the following responsibilities:

- 1) Homebuyer Marketing, outreach, income qualification, and selection. NAHAC will contract with U.S. Housing and Urban Development (HUD) certified Housing Counseling Agencies
- 2) Provisions of homebuyer education, counseling, family budgeting and credit maintenance and repair for qualifying homebuyers and established homeowners on CLT homes
- 3) Administration of the CLT in compliance with legal documents developed by the County and its advisors, including but not limited to the ground lease, resale restrictions, covenants and regulatory agreements, administrative guidelines and, if needed, second mortgage and/or down payment assistance documents (loan agreement, note, deed of trust).
- 4) Development of a marketing plan for the homes in partnership with the homebuilder(s) and County.
- 5) Monitoring and oversight of CLT homebuyer mortgage, property tax and property insurance payment status, including but not limited to timely intervention and assistance for homeowners who enter into default with their mortgage lender and/or the CLT program requirements contained in County's ground lease, resale restrictions, covenant or regulatory agreement, and second mortgage or down payment assistance documents.
- 6) Oversee refinances and resales, including qualification of new buyers, and assure compliance with CLT program requirements.
- 7) Assist buyers with completing and executing ground lease, resale restriction agreement, second mortgage and down payment documents (loan agreements, notes, deed of trust) as needed for loans funded by the County and/or others.
- 8) Conduct initial homebuyer education regarding the structure of a CLT and the responsibilities of and benefits that that accrue to homeowners; and manage ongoing (monthly, quarterly, and annual) communication to homeowners to remind them of the CLT structure and services offered.

## C. Provider Qualifications

NAHAC certifies that it meets the following minimum qualifications.

- 1) General information and the organization's history.

**Response:**

NAHAC has been in operation for approximately 20 years and has immense experience in administering programs in aiding families with low and moderate income households, which includes administration of the Hardest Hit Fund (HHF) program in 2010 and the current Homeowner Assistance Fund (HAF) program that began in 2021.

- 2) Summary of the organization's current and future staff capacity to provide the services outlined.

**Response:**

In previous experience, NAHAC quickly acquired staff, designed, developed, and implemented systems, procedures, and program requirements needed to begin operations under the HHF and HAF program in short order. Current staff consists of 10 full-time regular staff, and 8 temporary employees. Additionally, various vendors are contracted to assist in areas such as legal matters, finance, reporting, marketing, technology and management, and file disposition.

- 3) Information about the contractor's expertise in each of the areas outlined in this scope of work and the matrix below (be sure to include real estate sale and resales, working with low to moderate income homebuyers to facilitate sales and well as with mortgage lenders, marketing and communications, and asset management). Include a history of similar programs provided (data on number of households served and length of program should be included) and key staff resumes and qualifications.

**Response:**

In 2010, NAHAC administered the HHF program with an approximate allocation of \$200 million in funds. HHF began with foreclosure prevention programs for homeowners and assisted 7,000 households. As the economy strengthened in 2017 with unemployment rates dropping below 5 percent, Nevada saw fewer and fewer homeowners in distress. As the need changed, NAHAC shifted its focus and created a Down Payment Assistance (DPA) program, which was designed to incentivize first-time homebuyers to purchase a primary residence in targeted areas. It provided an incentive to qualified homebuyers to realize the dream of homeownership, and at the same time stabilize areas that were hardest hit by delinquency, negative equity, distressed sales, and foreclosure. This program was extremely successful and timely and was able to fund 2,200 homebuyers. The only drawback was not having enough funds to assist more homebuyers with a down payment. Unfortunately, once the COVID-19 pandemic hit in March 2020, the economy and the nation turned its focus to more critical matters.

NAHAC is currently administering the HAF program with an approximate allocation of \$121 million to help low to moderate income households affected financially by COVID-19 and avoid displacement of homes. NAHAC launched a digital campaign to market the HAF resources on its website through social media as well as affiliate marketing. In addition, print materials have been developed and made available in both English and Spanish and are being distributed throughout communities where targeted populations reside. NAHAC is also working with several HCAs to effectively target HAF funding.

Adequate staffing is in place to manage the capacity of applications. Additionally, NAHAC is using software and information technology to streamline and create a simple application process for the homeowner while still maintaining a robust documentation compliance regime. As of the end of July 2023, the HAF program has assisted 1,290 households with total funding of \$27.5 million. Current monthly funding is approximately \$2.7 million. NAHAC is on track to expend all program dollars by the program deadline.

Resumes may be furnished upon request and expertise includes senior management (CEO – Approximately 15 years in leading federally backed programs, Operations Managers – Approximately 33 years in running federally backed programs, Finance - Approximately 15 years in financially supporting federally backed programs).

- 4) A work plan and proposed project fee/budget. Budget should show annual fee over five years and have detailed line items that include staff time and salaries, supplies, subcontracts, and any other anticipated costs... *(Clark County cannot guarantee that the selected contractor will have the contract renewed over five years and beyond; however, the ideal contractor should have the ability to perform the services requested over a period of many years. Any contract approval or renewal is subject to contractor performance and County approval.)*

**Response:**

A proposed budget will be provided once the full scope of the project is identified by the County. NAHAC anticipates launching as expeditiously as needed and reasonably possible. It is estimated the CLT will require a staff and vendor structure similar to NAHAC's current composition. NAHAC will use its current and new staff to assist in areas of homebuyer pre-qualification, quality control, finance, and other relevant departments. Temporary labor will be utilized and adjustments to staffing will be made as needed to address the expected influx of inquiries and applications.

NAHAC will follow a competitive procurement process to select a vendor that provides a system best suited for the needs of the program in an efficient manner and will ensure it meets the program requirements and industry standards. NAHAC will ensure the system of choice will provide the following:

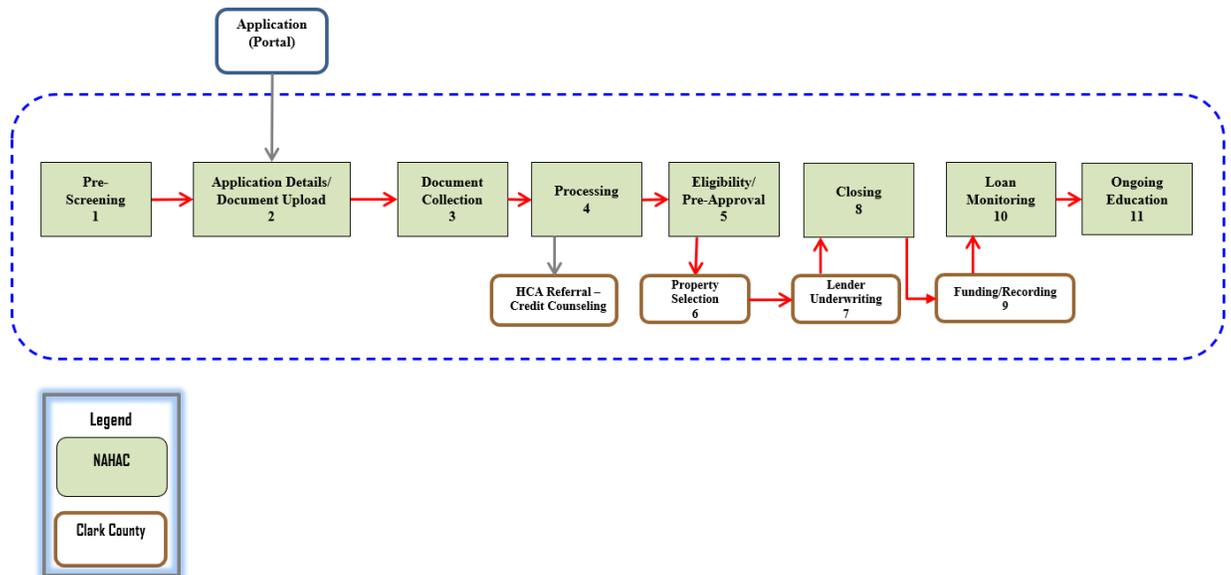
- a) Application acceptance and provide status updates
- b) Required documents to be uploaded

- c) Electronic signature (if needed)
- d) Determination of AMI based on program guidelines
- e) Front-end, back-end and affordability calculations based on income and expense inputs
- f) Pre-approval letter for lender
- g) Ground Lease documents
- h) File retention

The ideal system will also include adequate reporting necessary for loan performance status, loss mitigation needs, and any other reporting reasonably requested by the County.

The following illustrates the application process from pre-screening via an online portal through funding of loans.

**Process:**



- a) **Pre-Screening** – Homebuyers interested in a CLT property will be able to start their application online and answer pre-screen questions relevant to the program requirements.
- b) **Application Details/Document Upload** – The applicant will be able to enter household information and upload all required documentation for loan underwriting.
- c) **Document Collection** – Once all required documents are uploaded by the applicant, a staff member will review the applicant’s information and uploaded documentation to ensure it is complete. If the application is incomplete, the staff member will contact applicant via telephone and the communication feature in the portal and collect the information/documentation needed to complete the application.

- d) **Processing** – Once the application is complete, the file will be assigned to a processor to review the application for eligibility of the program. The processor will also refer the applicant to an HCA for the required pre-purchase homebuyer education/credit counseling class.
  - e) **Eligibility/Pre-Approval** – The underwriter will finalize the review of the application and determine pre-approval.
  - f) **Property Selection** – The broker and developer will facilitate the homebuyer with selection of property.
  - g) **Lender Underwriting** – The lender will underwrite the application for loan approval and generate closing documents.
  - h) **Closing** – NAHAC will conduct the closing with the applicant to execute the closing documents.
  - i) **Funding/Recording** – NAHAC will send executed closing documents to selected escrow company to fund the loan and record the deed.
  - j) **Loan Monitoring** – NAHAC will monitor homeowner loan payments through data received from mortgage servicers and work with lender, HCA, and the County to facilitate any available loss mitigation options to the homeowner.
  - k) **Ongoing Education** – NAHAC will provide ongoing communication and education program to the homeowner.
- 5) Evidence that the contractor or a member of the contractor’s team is a HUD certified counseling agency and can provide counseling to potential homebuyers as well as ongoing education to CLT homeowners.

**Response:**

NAHAC currently contracts with 4 HUD approved HCAs. Contracting with at least two HCAs will be required to provide homebuyer education for all new homebuyers, which will include credit counseling, credit repair, budgeting, property tax and insurance requirements; downpayment and closing cost requirements; appraisal, tax and insurance escrows, and Private Mortgage Insurance (PMI) (if needed). The contracted HCAs will work with NAHAC to create and administer CLT education for all homebuyers including compliance with CLT program requirements and resale restrictions and ground lease.

## D. Provider Roles and Responsibilities

As a Provider, NAHAC will perform the following duties:

### 1) Development Phase

- a) **Homebuyer Selection Process** – NAHAC will develop and implement, with County approval, a selection process for homebuyers in accordance with program term sheets.
- b) **Homebuyer Income Qualification** – Electronically income-qualify all buyers in accordance with applicable legal standards, documentation protocols approved by the County, and County guidance, and maintain records.
- c) **Homebuyer Education** – Provide a homebuyer education program for all new buyers including credit counseling, credit repair, budgeting, property tax and insurance requirements; downpayment and closing cost requirements; appraisal, tax and insurance escrows, and PMI (if needed). Create and administer CLT education for all homebuyers including compliance with CLT program requirements and resale restrictions; and ground lease.
- d) **First Mortgage Lender Financing Liaison** – Serve as liaison between homebuyer and lender; advise homebuyer on mortgage application and approval process and requirements; prepare/execute County documents with homebuyers.
- e) **Ground Lease and Resale Restrictions** – Execute documents, maintain records electronically of homebuyer consent to resale restrictions.
- f) **Second Mortgage Financing** – Execute second mortgage documents (loan agreement, note, deed of trust); educate homebuyers on requirements and responsibilities; maintain records electronically.
- g) **Home Sales Marketing** – Conduct required marketing, in partnership with developer and County.

### 2) Asset Management

- a) **Overall Asset Management/Ground Lease** – Monitor homeowner compliance with ground lease provisions; monitor status of loan, to include payment of property taxes, evidence and payment of insurance, including requirement to escrow property tax and insurance payments on a monthly basis combined with monthly mortgage payments to the mortgage lender until such time as the mortgage lender's loan to value (LTV) ratio is satisfied. Create a watchlist protocol to anticipate and prevent defaults (and foreclosures). In the event of

notice of foreclosure, work with County emergency foreclosure prevention program and mortgage lender. Work with County on planning for long term physical maintenance needs and program (if needed).

- b) **Ongoing Homeowner Support and Education** - Create an ongoing communication/outreach program to homeowners to provide them support and ongoing education and remind them of their responsibilities and benefits from the ownership structure. Create or administer an ongoing homeowner and financial education program for CLT homeowners.
- c) **Resales** – Responsible for calculation of Affordable Sales Price; income qualification of new buyers; execution of all documents as noted in Development Phase.
- d) **Data Retention** – Maintain records and digital systems of all transactions, documents and written communication with homebuyers, lenders, and other parties in electronic format as part of carrying out Provider’s contractual duties under the Contract.

## **E. Conclusion**

NAHAC has been in business since 2003 to assist underserved homeowners with affordable or subsidized single or multi-family housing and to provide appropriate and timely assistance to eligible high-risk Nevada homeowners. The experience garnered by NAHAC through the administration of large scale federal and state housing related programs puts NAHAC in a unique position to administer the areas of the Clark County Community Land Trust outlined herein effectively and efficiently. NAHAC looks forward to the opportunity to take discussions to the next level and working with the County in the future.