

**CITY OF LAS VEGAS
NEIGHBORHOOD STABILIZATION PROGRAM (NSP) 1
SUBSTANTIAL AMENDMENT #6 OF THE FY11 HUD ACTION PLAN
GRANT NUMBER: B-08-MN-32-0002**

I. Background

Due to the housing market crash that began nationally in 2003, the U.S. Department of Housing and Urban Development (HUD) established the Neighborhood Stabilization Programs (NSP) to stabilize communities impacted by foreclosures and abandonment. Las Vegas was one of the hardest-hit cities, experiencing a 60% decline in home prices, nearly double the national average. To mitigate the long-term effects on communities and the housing market, HUD awarded the City NSP 1 and NSP 3 grants.

NSP 1 program funds, authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, represented the first round of neighborhood stabilization grants distributed on a formula basis.

While the local housing market has since shows signs of recovery, the City proposes a substantial amendment to its FY11 NSP 1 HUD Action Plan to address evolving needs, while ensuring compliance with HUD regulations. This amendment focuses on the redevelopment of an eligible project site to construct a public facility, classified under Eligible Use E. The City will continue collaborating with community revitalization efforts to maximum impact in targeted areas.

II. Amendment to the Areas of Greatest Need

The City remains committed to strategically allocating NSP funding to areas where it can have the most significant impact, improving housing conditions, stimulating community revitalization, and supporting the long-term recovery of distressed neighborhoods.

The proposed Recuperative Care Center (RCC) redevelopment project addresses an area of greatest need in Las Vegas by providing critical healthcare services to individuals experiencing homelessness, a population disproportionately affected by housing instability and health challenges. The construction of the RCC will offer essential medical respite, including wound care, cardiac support, hospice services, and post-surgical recovery. This project will be located in a designated NSP-targeted area, where high foreclosure rates, abandoned properties, and economic distress have created a significant need for intervention.

By redeveloping a vacant or abandoned property into a healthcare facility, the RCC project helps mitigate the negative impacts of vacant properties on surrounding communities. The development aligns with the goals of the NSP program by addressing both housing instability and healthcare needs within the same targeted area. This redevelopment not only provides immediate medical support to homeless individuals but also contributes to the long-term revitalization of the neighborhood by transforming underutilized properties into valuable community assets.

In addition to improving the health and well-being of vulnerable populations, the RCC will support the City's efforts to revitalize distressed neighborhoods, reducing blight and stimulating community stability. The City of Las Vegas is committed to ensuring that

NSP funds are allocated to areas with the most pressing needs, and the RCC redevelopment project is a key step toward addressing the urgent needs of underserved populations in these targeted areas.

III. Amendment to the Distribution and Uses of NSP funds

This amendment proposes using NSP1 funds, including program income to construct a Recuperative Care Center (RCC) in Las Vegas. The RCC project is designed to address the healthcare needs of individuals experiencing homelessness. The RCC will be the only public facility in the city to provide medical respite services, including wound care, cardiac treatment, oxygen support, cancer and hospice care, pre- and post-surgical care, diabetes management, and more. The facility will provide a safe environment for people experiencing homelessness to recover from medical conditions or injuries following hospital discharge.

IV. Amendment to the Definitions and Descriptions

Definition of Redevelopment: NSP 1 funds can be used for redevelopment activities, which include the rehabilitation and new construction of housing, commercial spaces, or public facilities that meet NSP and CDBG national objectives.

The Recuperative Care Center (RCC) qualifies as a public facility under NSP 1 and will be considered part of the redevelopment activity.

V. Amendment to the Low Income Targeting

The City of Las Vegas reaffirms its commitment to HUD's requirement that at least 25% of NSP funds must benefit households earning at or below 50% of Area Median Income (AMI). Furthermore, the City will ensure that NSP funds are also utilized to benefit households with incomes not exceeding 120% AMI. This ensures the allocation of funds remains compliant with HUD's targeting standards.

Updated Income Targeting Strategy:

- Households at or Below 50% AMI: The RCC will support the low-income housing objective by prioritizing individuals at or below 50% AMI, providing medical respite services to homeless individuals who fall into this category.

VI. Summary of Public Comments Received

The City will hold a 15-day public comment period to solicit feedback on this amendment.

A summary of public comments and responses will be appended to the final amendment.