

STATE OF NEVADA

STEVE AICHROTH
Administrator



DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

NEIGHBORHOOD STABILIZATION PROGRAM
SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Nevada, Housing Division Jurisdiction Web Address: https://housing.nv.gov/	NSP Contact Person: Adrienne Babbitt Deputy Administrator Address: 3300 W. Sahara Ave. Suite 300 Las Vegas, NV 89102 Telephone: 702-486-5990 Fax: 702-486-7227 Email: ababbitt@housing.nv.gov
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Title III of the Housing and Economic Recovery Act (HERA) of 2008 provides emergency assistance to the State of Nevada to facilitate the acquisition and redevelopment of foreclosed properties that might otherwise become sources of abandonment and blight within Nevada's communities. This emergency assistance, administered by the US Department of Housing and Urban Development (HUD), is provided under the Neighborhood Stabilization Program (NSP). NSP funds shall be subject to the same rules and regulations as HUD's Community Development Block Grant (CDBG) funds except where specific differences are outlined in HERA.

A. Areas of Greatest Need

The State of Nevada was awarded \$24,287,240 in NSP 1 funds for distribution throughout the State. The program will be administered by the Department of Business and Industry's Housing Division (the Division). The Division is required to submit to HUD the Substantial Amendment to the State of Nevada Annual Action Plan for 2008-2009 previously approved by HUD. The Substantial Amendment outlines the NSP areas of greatest need, the distribution of funds, and the new proposed activities to combat the rising number of foreclosed and abandoned properties in Nevada. All the NSP activities will benefit households with incomes at or below 120 percent of the area median income for the jurisdiction within which the activity is located. Further, by

regulation, at least 25 percent of the NSP monies will be allocated to activities that serve households with incomes at or below 50 percent of area median income for the jurisdiction within which the activity is located.

The NSP regulations require the State to give priority emphasis in targeting the funds to those “metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those a) with the greatest percentage of home foreclosures; b) with the highest percentage of homes financed by a subprime mortgage related loan; and c) identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.”

In order to maximize the use of NSP funds and ensure that they are targeted to areas of greatest need, the Governor convened a Task Force made-up of representatives from cities and counties, the financial community, private organizations, such as the Nevada Association of Counties and the League of Cities, and state government, to develop a plan for the distribution of the funds, discuss capacity issues, and identify eligible activities for the use of NSP monies. The Task Force met once a week over a five-week period and gained consensus on the allocation of funds and potential activities with the results detailed in this Amendment.

The Division will continue to work with the cities and counties identified within this Amendment to implement the activities outlined and ensure that NSP and CDBG requirements are met. In accordance with NSP regulations, a copy of this Substantial Amendment was posted on April 27, 2026, at <https://housing.nv.gov/> for a 14-day public comment period. Notice of this posting was published in the *Reno Gazette Journal*, *Las Vegas Review Journal*, *Pahrump Valley Times*, *Lahontan Valley News* and *Record Courier*. A hard copy of the Substantial Amendment was also posted at the Division’s Carson City and Las Vegas offices.

B. Distribution and Uses of Funds

State of Nevada, Department of Business and Industry, Housing Division is proposing to amend its Neighborhood Stabilization Program 1 FY2008 Action Plan and Consolidated Plan, which was approved by HUD March 2009. These funds were authorized under Title 1 of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) (P.L. 110-289, approved June 30, 2008) for the redevelopment of abandoned and foreclosed upon homes and residential properties.

The State of Nevada received \$24,287,240 in NSP grant award. The state has a total balance of approximately \$1,651,630 in NSP1 and \$1,887,789 in program income (PI), for a combined total of \$3,539,419. The NSP1 and PI funds have been obligated to the following, with the **bolded** sections highlighting new proposed activities listed in this amendment.

Administration	\$342,364
Clark County	\$12,281,477
Las Vegas	\$9,892,640
Henderson	\$1,017,499

Washoe County	\$5,595,745
Nye County	\$879,628
Lyon County	\$1,082,672
Douglas County	\$288,522
Nevada Housing Division	\$150,000
Rebuilding Together Southern Nevada (RTSNV)	\$600,000
	<u>\$1,300,000</u>
	<u>\$1,900,000</u>

Local Distribution of need, allocation of NSP funds, and use of funds

The State's NSP funds were distributed to local entities and non-profit as identified above and targeted strategically into areas of greatest need for the following menu of activities as allowed by HERA and NSP regulations:

- a. Establish financing mechanisms for purchase and redevelopment of foreclosed upon residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;
- b. Purchase and rehabilitate residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties;
- c. Establish land banks for properties that have been foreclosed upon;
- d. Demolish blighted structures; and
- e. Redevelop demolished or vacant properties.

C. Definitions and Descriptions

Redevelopment

§2301(c)(3)(E) redevelop demolished or vacant properties

- Grantees may fund costs, such as sales costs, closing costs, and reasonable developer's fees, related to NSP-assisted housing, rehabilitation, or construction activities.
- New construction of housing and building infrastructure for housing is an eligible use.
- Grantees may redevelop property to be used as rental housing.
- Grantees are encouraged to acquire and redevelop FHA foreclosed properties. HUD provides information on such properties at <http://www.hud.gov/offices/hsg/sfh/reo/reohome.cfm>. Grantees may also contact their local HUD FHA office for further information.

Correlated Eligible Activities from the CDBG Entitlement Regulations

- 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (c) Public facilities and improvements
 - (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties

- (i) Relocation
- (m) Construction of housing
- (n) Direct homeownership assistance (for persons whose income does not exceed 120% of median income)
- 24 CFR 570.204 - Community based development organizations
- New housing construction
- 24 CFR 570.205 - Eligible planning, urban environmental design, and policy-planning-management-capacity building activities
- 24 CFR 570.205 - Program administrative costs

D. Low Income targeting

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: **\$6,480,000.00.**

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income. According to the January 1, 2025, [NSP Closeout Indicators: Region 09 Report](#), the State of Nevada has met this requirement.

F. Public Comment

In accordance with NSP regulations, a copy of this Substantial Amendment was posted on April 27, 2026, at <https://housing.nv.gov/>. Notice of this posting was published in the Reno Gazette Journal, and Las Vegas Review Journal on April 30, 2026. A hard copy of the Substantial Amendment was also posted at the Division’s Carson City and Las Vegas offices on April 30, 2026. A public hearing was held on May 15, 2026. The comment period for the substantial amendment was April 27, 2026, through May 15, 2026. **[will need to insert whether or not comments were received – and if received comments were accepted/not accepted and why]**

G. NSP Information by Activity

Activity Name: **Rebuilding Together: Acquisition, Rehabilitation, and Rental Program (“Merlayne Project”)**

Activity Type:

NSP Eligible Use	Redevelopment (HERA 2301(c)(3)(E))
CDBG Eligible Activity	Public Facilities and Improvements (24 CFR 570.201(c))

National Objective: Benefiting LMMH persons up to 120% of AMI. Creating a Suitable Living Environment through the provision of Decent Housing

Projected Start Date: After HUD’s response for approval (during the Substantial Amendment process – 24 CFR 91.505 (b))

Projected End Date: December 30, 2026

Responsible Organization: Rebuilding Together Southern Nevada (RTSNV) will be the state subrecipient responsible for funds administration and contracting for program implementation. RTSNV may contract with another entity for the rehabilitation portion of this activity. RTSNV is located at 611 South Ninth Street, Las Vegas, Nevada 89101. Robert Cleveland, Executive Director, will be the point of contact for funds and program administration.

Location Description: This location will be at 489 E. Merlayne Dr., Henderson, NV 89011 and is located at census tract 5439. RTSNV acquired and rehabilitated the fourplexes. The land has an existing structure that has 4 units. The acreage allows for the new construction of another fourplex that will house 4 additional units. Each of the new units will consist of two bedrooms and 1 bathroom.

Activity Description: The property will be used as a low-income rental property focusing on those clients that are at 80% AMI or below. RTSNV will include several unique aspects within this project. To significantly reduce, if not fully eliminate, the residents' electricity bills, solar panels will be installed on the properties. In addition, low E-windows, blinds or window coverings, and LED lighting will be used in each unit.

Total Budget: Original award was \$600,000 with this substantial amendment an additional \$1,300,000 will be awarded for a total of \$1,900,000.00 in NSP funds to support this activity. A minimum of \$1,900,000.00 of this budget will be to assist 80% of the area median income households.

Performance Measures: 100% of RTSNV tenants will be 80% or below AMI.

51-80% AMI Fourplex (1) x 2

Specific Activity Requirements: RTSNV plans to use the two NSP funded 4-plexes as low-income rental property.