

APN # _____

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Name: Eureka County c/o Recorder/Auditor

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I the undersigned hereby affirm that this document submitted for recording contains the social security number of a person or persons as required by law:

Signature (Print name under signature)

Title

RESOLUTION AUTHORIZING SINGLE FAMILY GRANT

(Insert Title of Document Above)

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This document is being re-recorded to _____

-OR-

This document is being recorded to **correct** document # _____, and is correcting _____

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Legal description obtained from _____ (Document Title), Book _____ Page _____
Document # _____ recorded _____ (date) in the Eureka
County Recorder's Office.

-OR-

If Surveyor, please provide name and address:

This page added to provide additional information required by NRS 111.312 Sections 1-4. (Additional recording fee applies)

**RESOLUTION OF THE EUREKA COUNTY COMMISSIONERS
AUTHORIZING A GRANT OF \$11,155,396.00 TO THE NEVADA RURAL
HOUSING AUTHORITY UPON CERTAIN CONDITIONS**

WHEREAS, beginning on January 20, 1988, the Board of Eureka County Commissioners recognized the need to place housing near the town of Eureka to reduce the burden on taxpayers from building and operating additional public utility systems; and

WHEREAS, in 1997, Eureka County received patents for 164 acres of land within the townsite of Eureka suited for additional housing; and

WHEREAS, on July 20, 2008, Eureka County leased this 164 acres to Eureka Moly, LLC for the placement of temporary construction worker housing and Eureka Moly, LLC did perform tree removal and dirt work to prepare the site for use; and

WHEREAS, on July 6, 2010, by mutual agreement, the lease between Eureka County and Eureka Moly, LLC was terminated to allow Eureka County the opportunity to explore other ways to provide additional housing in a timely manner, because the work by Eureka Moly, LLC at the 164 acre site had stopped; and

WHEREAS, on July 6, 2010, Eureka County and Nevada Rural Housing Authority (NRHA) entered into a Memorandum of Understanding to work together on development of the 164 acres; and

WHEREAS, on July 6, 2010, Eureka County and NRHA executed a Contract for Services with NRHA as an Independent Contractor to plan and execute development of real property for housing and commercial sites at a cost not to exceed \$250,000.00; and

WHEREAS, the Board of Eureka County Commissioners conducted a Community Housing public meeting with NRHA on July 21, 2010, to inform the public about NRHA's role and the efforts made to develop the 164 acres; and

WHEREAS, on August 12, 2010, Eureka County conducted a special meeting of the Board of Eureka County Commissioners and invited both NRHA and Nevada State Bank representatives to discuss ways to fund the development of this property owned by Eureka County and learned private funding for such developments is scarce and federal funding is limited; and

WHEREAS, NRHA contracted with Vogt Santer Insights to conduct a Market Feasibility Analysis to confirm and quantify the current demand for housing near Eureka, Nevada, and Vogt Santer Insights issued their final report November 3, 2010; and

WHEREAS, a Tentative Subdivision Application and Map was filed with Eureka County Public Works December 2, 2010, which identifies the project area as the 164 acres, names the project the Eureka Canyon Subdivision, lists NRHA as the developer and Eureka County as the owner, describes 13 acres set aside for multifamily development, 20 acres for commercial development, 93 acres of open space, 122 lots planned for single family and duplex residences, and includes Development Standards applicable to the Eureka County Subdivision; and

WHEREAS, on December 20, 2010, the Board of Eureka County Commissioners approved the concept of granting NRHA funds to purchase 50 townhome units from Guerdon Homes in Boise, Idaho that had already been constructed, signed a Resolution January 3, 2011 authorizing this grant, and during a special meeting January 7, 2011 approved the terms of a promissory note for \$1,700,000.00 at 5% interest for 21 months that NRHA approved effective January 10, 2011 to be repaid no later than September 30, 2012; and

WHEREAS, on January 26, 2011, during a special meeting of the Board of Eureka County Commissioners, Eureka County presented the revised estimates of the cost to Eureka County for the improvements necessary to build the Eureka Canyon Subdivision of approximately \$18,000,000.00 with the understanding that some portion of that cost would be refunded over time by NRHA; and

WHEREAS, on February 1, 2011, the Eureka County Planning Commission approved the Eureka Canyon Subdivision Tentative Map, and the Board of Eureka County Commissioners approved the Planning Commission's recommendations and the Tentative Map February 7, 2011; and

WHEREAS, on May 4, 2011, Eureka County and NRHA signed an Interim Agreement to immediately make available funds to NRHA in an amount not to exceed \$2,969,335.00 at 3% interest for work to proceed on the Eureka Canyon Subdivision, reduce the interest rate on the \$1,700,000.00 promissory note from 5% to 3%, and unconditionally accept the 50 townhomes purchased by NRHA to be placed on the 13 acres identified for a multifamily development in the Eureka Canyon Subdivision; and

WHEREAS, on June 29, 2011 the Eureka County Commissioners signed a Resolution approving a refundable grant to NRHA in the amount of \$4,656,511.00 to consolidate previous disbursements and complete the placement of the 50 rental units at the Eureka Canyon Subdivision; and

WHEREAS, on August 5, 2011, the Eureka County Commissioners agreed to increase the May 4, 2011 Interim Agreement funding from \$2,969,335.00 to \$3,219,335.00, an increase of \$250,000.00, to provide for costs attributable to the rental units; and

WHEREAS, on September 19, 2011, the Eureka County Commissioners agreed to terminate the Interim Agreement of May 4, 2011, recorded as document 0217095 on May 5, 2011 before the Eureka County Recorder, and replace it with a new Interim Agreement describing an increase in interim funding for the single family development to \$1,928,501.00, an increase of \$628,485.00, and authorized the Chair of the Eureka County Commissioners to execute this new Interim Agreement outside the meeting; and

WHEREAS, NRHA and Eureka County recognize the Eureka Canyon Subdivision is exempt from the usual requirements of appraisal before the sale or transfer of government property because Eureka County is jointly developing this area with NRHA, and because of the authority granted by NRS 244.2795 (appraisal exceptions) and NRS 315.550(2) (powers respecting housing projects); and

WHEREAS, NRHA and Eureka County recognize the authorization for expenditure of local government funds to build the improvements and do the work necessary for the Eureka Canyon Subdivision are permitted by NRS 244.1505(1) (expenditure of public money), NRS 244.189 (development of affordable housing), and NRS 315.550 (powers respecting housing projects); and

WHEREAS, NRHA has now requested a grant in the amount of \$11,155,396.00 to develop 122 single family lots at the Eureka Canyon Subdivision (up to \$46,320.00 recoverable costs per lot plus \$61,254.40 non-recoverable costs per lot for a total of \$107,574.40 per lot); and

WHEREAS, the Resolution approving a refundable grant on June 29, 2011 to NRHA for \$4,656,511.00 for placement of the 50 rental units at the Eureka Canyon Subdivision, and the grant amount requested now for the development of single family lots totals \$15,811,907.00;

NOW THEREFORE BE IT RESOLVED THAT:

FIRST, a sufficient amount of money is available from the general fund for this grant of \$11,155,396.00; and

SECOND, the money is not otherwise restricted in its use; and

THIRD, the grant will not compromise the economic viability of the general fund; and

FOURTH, the money from this grant may only be used by NRHA to carry out the work described in the Single Family Real Property Agreement and Single Family Grant Agreement contemplated to be signed by NRHA and Eureka County October 6, 2011; and

FIFTH, no money of this grant will be made available unless and until the Board receives a promissory note obligating the NRHA to repay a portion of the grant with interest at an annual rate of not greater than three percent (3%) provided that lots are sold; and

SIXTH, if no lots are sold then the entire \$11,155,396.00 grant to NRHA will never be recovered from NRHA by Eureka County.

Adopted this 6th day of October, 2011.

Leonard J. Fiorenzi, Chair
Eureka County Board of Commissioners

Mike Page, Vice Chair
Eureka County Board of Commissioners

J.P. Ithurralde, Member
Eureka County Board of Commissioners

Attest:

Jackie Berg, Eureka County Clerk