

HOMELESS TO HOUSED

Terwilliger Center for Housing



COMMUNITY FOUNDATION OF NORTHERN NEVADA

CASE STUDY: THE VILLAGE AT SAGE STREET

RENO, NEVADA

LOCATION:

300 Sage Street,
Reno, Nevada

SIZE:

4 acres

PROJECT TYPE:

Workforce Housing

OWNER:

Community Foundation of Northern Nevada's Community Housing Land Trust (land); Volunteers of America Northern California & Northern Nevada (building and improvements above ground)

OPERATOR:

Volunteers of America Northern California & Northern Nevada

PARTNERS:

City of Reno, Community Foundation of Northern Nevada, Nevada Housing Division, Volunteers of America Northern California & Northern Nevada

COST:

\$9,000,000

COMPLETION:

July 2019

CONTACT:

Par Tolles, CEO, Tolles Development Company

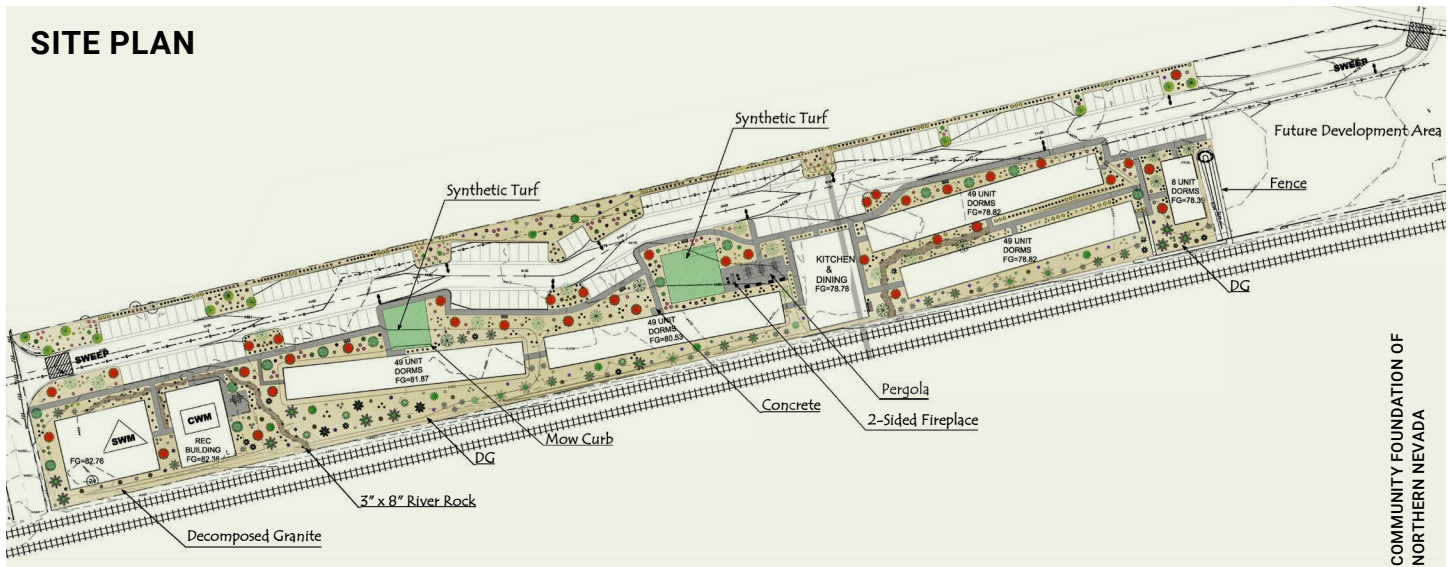
PARTNERS:

City of Reno, Community Foundation of Northern Nevada, Nevada Housing Division, Volunteers of America Northern California & Northern Nevada



COMMUNITY FOUNDATION OF NORTHERN NEVADA

SITE PLAN



Above: Reno Green Landscaping's site plan for The Village on Sage Street. Previous page, top: Outdoor gathering area and gas fireplace for Village on Sage Street residents; bottom: Dorm rooms come furnished with a desk, wardrobe, television, and bed.

Project Overview

The Village on Sage Street is a 216-unit dorm-style housing development for people who are working or on a low fixed income and unable to afford rent. The Village showcases what can happen when a community comes together to support the local workforce by developing gap housing to help individuals build savings and access permanent housing.

This project came together when local developers identified eight prefabricated modular buildings that offered temporary workforce housing in Wyoming. The developers encouraged the city of Reno to donate four acres of land on the east side of the city, then the buildings in Wyoming were dismantled and transported to Reno and repurposed to provide affordable workforce housing called The Village on Sage Street. The private-sector development team, along with the Community Foundation of Northern Nevada and other private-sector individuals and companies, donated funds and in-kind support to develop The Village as a self-sustaining project, funded by private contributions with no subsidies. The \$400 in monthly rent was designed to cover all the development's operating expenses.

The Village took less than one year to complete, from breaking ground to residents moving in. Since it opened in July 2019, 481 people have been residents of The Village. There is no limit on the length of stay, but on average residents have moved out of The Village and on to independent living after 10 months. Residents must earn \$1,200 to \$3,465 of gross monthly income to qualify to live at The Village.

The average resident earns \$1,570 per month and is age 52. Forty-six percent earn income through employment, and the average credit score for a resident is 498 (though many residents have no credit score). The total resident population of 216 is 80 percent male and 20 percent female and is made up of people ages 18 and older. Sixteen percent of residents are veterans. Residents hold jobs at such businesses as casinos, Walmart, Amazon, warehouses, and staffing agencies. Most applicants for housing are referred to The Village by other service providers.

Accommodations at The Village for each resident include an 80-square-foot room that includes a bed, desk, closet, and flat-screen television. Bathroom facilities are shared; other community amenities include an on-site laundry, meeting and recreation spaces (indoors and outdoors), on-site parking, and security. An on-site community administrator with a background in social work can provide assistance with accessing General Educational Development (GED) and continuing education programs, commercial driver's licenses, community case managers, Supplemental Nutrition Assistance Program (SNAP) benefits, and insurance information. There are also community case managers, an on-site doctor for primary care, a church group Bible study, and social events.

The Partnership

The Village is a collaborative effort among nonprofits (the Community Foundation of Northern Nevada and Volunteers of America [VOA]); for-profit organizations (numerous contractors and development companies); and government entities (the city of Reno and the Nevada Housing Division). The Community Foundation developed the financial architecture for the development deal, and the city provided four acres of land for the development

through a land trust, as well as expedited permitting review and approval for the project, saving significant development time. Private developers provided advisory support, and local engineering firms provided in-kind site engineering services. VOA operates The Village—maintaining the grounds, operating the buildings, and running programming to support residents.

Costs and Financing

Funded by private donations and in-kind gifts, The Village receives no government funding. Private donations included \$2.6 million in cash and \$300,000 in in-kind gifts for capital projects; the city's donated land was valued at \$1.15 million. The Village partners originally accessed \$4.16 million in long-term financing, and the Community Foundation has about \$800,000 of fundraising remaining, while VOA is raising \$4 million to cover a \$5 million shortfall from the project (\$1 million has been secured).

Since the project opened, the rental rate has increased from \$400 to \$555 per month, with a \$555 security deposit required at the time of application, according to the VOA website. Residents are on a month-to-month contract and have the flexibility to leave as soon as more-permanent housing is available. The average stay is 10 months—a period that might include time for applying for and obtaining an opportunity for advancement in a job, paying off personal debt, purchasing a vehicle, and gaining a good rental history.

Innovations: What Worked

THE PROJECT

From delivery, The Village has experienced high demand, and it reached full occupancy immediately. The modular buildings accommodate individual and community spaces, as well as provide an environment that is supportive, albeit temporary. The project site is also located near health service providers so that residents have walkable access to health care. The project team has stated that this model could be easily replicable outside Reno because of a large and available supply of reusable modular buildings and their low cost relative to new construction.

THE PROGRAM

The partnership team brought together a distinctive mix of local and state agencies, as well as private nonprofit service providers and for-profit developers. All team members have supported the planning, delivery, and operations functions of this work as a team, and that sustained support resulted in significant attention and interest from other local partners, including private health insurer Anthem. In spring 2022, the Village started a partnership with Anthem Medicaid to provide housing for

15 clients at a time who are frequent users of the medical system and are currently homeless. In summer 2023, five clients were participating. Anthem is covering the clients' rent and is funding a case manager who meets daily with them. The estimated participation timeline for this program is 12 to 15 months. The plan is to have clients address their medical needs, increase their income, and make the transition to permanent independent housing by the end of their program stay.

Challenges

Though The Village has experienced some significant early wins in its development and operation, the partnership identified several lessons learned from project challenges. The first is residents overstaying the six-month suggested window of residency. The second relates to the project financing: capital costs for the project were more than anticipated, and the operating cost has risen since the 2019 opening. As a result, VOA raised rents and performed additional fundraising to operate without a deficit. A final challenge is that the number of Reno residents experiencing housing insecurity is rising, so demand has increased, leading to potential residents being turned away due to a shortage of units.

Outcomes

In response to the success of The Village and continued demand for this type of gap housing, several complementary projects have been developed. Reno received \$70 million from federal COVID funds to purchase 15 acres of land across the street from The Village to set up a 600-bed structure in six months, plus a safe camp with 50 pods. In addition, Northern Nevada HOPES, a federally qualified health center in Reno, located a rehabilitation clinic and 30 tiny homes next to the site in 2022, and in summer 2023 was building a new clinic next to an adjacent homeless shelter to provide services. Finally, The Village development's second phase will add 96 units nearby, and the \$8.7 million project cost has been fully funded via a grant that the Community Foundation of Northern Nevada received for Reno because of the success of The Village.

The Village and these complementary new projects comprise a district-level network that can support Reno residents in need of stable gap housing. Public- and private-sector partners came together to build, sustain, and expand The Village, and the Reno community continues to rally around this comprehensive development approach. It is apparent to the community that this system is working and provides unhoused individuals with a pathway to stable housing and services that can help them regain independence.

HOMELESS TO HOUSED: PRO FORMA

NAME: The Village on Sage Street	SPONSORS: City of Reno, Community Foundation of Northern Nevada, Economic Development Authority of Western Nevada (EDAWN), Nevada Housing Division, Volunteers of America Northern California & Northern Nevada
LOCATION: Reno, Nevada	
NUMBER OF UNITS/RESIDENTS SERVED: 216	
BRIEF DESCRIPTION OF TYPE: The Village on Sage Street is a 216-unit dorm-style housing development for people who are working or on a low fixed income and unable to afford rent. Most residents earn 30 to 60 percent of the area median income.	

Development Pro Forma

	TOTAL	PER RESIDENT/UNIT
USES OF FUNDS		
Acquisition of land and/or building	\$3,050,000	\$14,120
Architecture, engineering, and entitlement costs	\$100,000	\$463
Construction costs	\$7,200,000	\$33,333
Legal and professional costs	0	0
Additional equipment and related costs	0	0
Development fees	\$600,000	\$2,778
Interest during construction	0	0
Real estate taxes during construction	0	0
Other costs	\$350,000	\$1,620
Total uses, capital cost	\$11,300,000	\$52,315
SOURCES OF FUNDS		
Permanent debt	5,600,000	\$25,926
Equity	0	0
Philanthropic capital, government grants, or similar	4,050,000	\$18,750
Total sources	9,650,000	\$44,676

Operating Pro Forma

	TOTAL	PER RESIDENT/UNIT
ANNUAL REVENUE		
Revenue from residents	\$996,269	\$4,612
Revenue from resident-related sources (vouchers, etc.)	n/a	n/a
Revenue from other sources (public funds)	\$30,750	\$142
Support for wraparound services	n/a	n/a
Total revenue	\$1,027,019	\$4,755
ANNUAL EXPENSES		
Personnel costs		
Salaries (benefits, trainings)	\$480,069	\$2,223
Contract services (professional fees)	\$7,984	\$37
Program costs		
Supplies	\$17,361	\$80
Food and beverage	\$1,089	\$5
Cleaning (linen and laundry)	\$35,519	\$164
Equipment purchases and vehicle expense	\$21,019	\$97
Occupancy costs and other business expenses		
Repairs and maintenance (rental and property expense)	\$399,398	\$1,849
Utilities	\$129,999	\$602
Taxes (city-owned property)	0	0
Insurance	\$56,053	\$260
Office expenses (general, telephone, printing, meetings)	\$11,551	\$53
Depreciation/amortization expenses	\$4,957	\$23
Administrative expense (13%)	\$171,138	\$792
Total expenses	\$1,336,137	\$6,186
NET DEFICIT	\$309,117	\$1,431

n/a = not applicable.

About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 45,000 members worldwide representing all aspects of land use and development disciplines.

About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

uli.org/homelessness

homelessness@uli.org

Sources

Community Foundation of Northern Nevada:
<https://nevadafund.org/community/community-housing-land-trust/village-sage-street>

Tolles Development:
<https://www.tollesdevelopment.com/community>

Volunteers of America:
<https://www.voa-ncnn.org/sagestreet>