TAKING STOCK

2019

Nevada Housing Division
2019 Annual Affordable Apartment Survey
www.housing.nv.gov

From the Administrator

Just over a decade ago, the country entered one of the most traumatic economic recessions it had ever seen, with Nevada experiencing the worst unemployment rate of all 50 states. No one could imagine that after surviving such a harrowing test that on the heels of economic recovery we would embark upon another horrific economic situation. This time it would come in the form of a world-wide pandemic that is ravaging lives and the economy.

As I write this, we are in the midst of the COVID-19 pandemic which has shut down the world's largest economies. In Nevada, we could have never in our wildest imagination predicted anything could silence slot machines and dim the lights of all casinos statewide. For the safety of our citizens, Governor Steve Sisolak was forced to order all non-essential businesses to close for many weeks. No one is certain what the new normal will be on the other side of this event, nor can we be sure what the effects will be regarding affordable housing.

During this pandemic, makeshift quarantine barracks have been erected to prevent the spread among the homeless, while the governor placed a moratorium on foreclosures and evictions. Still, jobless residents worry about the fate of affordable housing as the closure of non-essential businesses leaves many uncertain of how they will pay for housing once the state reopens and the moratorium on evictions and foreclosures are lifted. We know the current health and economic issues will have dramatic implications and it is through this lens, we need to review the 2019 Taking Stock report.

All of the information in the report was compiled previous to the pandemic. However, I do not want to classify the information as irrelevant given the current circumstances. In fact, it provides, along with previous years' reports, a baseline for which to compare our recovery efforts. Prior to the pandemic, Nevada was experiencing robust and sustained economic growth. While that prosperity was beneficial to most Nevadans, affordability issues were identified which were particularly acute when viewing certain populations. Those issues create the impetus for this report, the study of affordable properties statewide.

Nevada was battle-born and remains battle tested. The governor's orders are to "Stay Home for Nevada" and the Nevada Housing Division strives to make sure all Nevadans have a safe and healthy home. To that end, the examination of data collected in this report assists us in determining policies and decisions to meet that challenge. We will continue to move forward, be resilient, and work together for a better tomorrow.

Stay safe,

Steve Aichroth
Administrator

About Nevada Housing Division

Our mission is to provide affordable housing opportunities and improve the quality of life for Nevada residents. Nevada Housing Division (NHD), a division of the State of Nevada Department of Business and Industry, was created by the Nevada State Legislature in 1975. NHD is committed to making Nevada a better place to live and work. We connect Nevadans with homes by providing financing to developers to build affordable apartment communities, by providing innovative mortgage solutions, and by making more homes energy efficient, thereby lowering utility expenses.

Programs at a Glance

Low Income Housing Tax Credit (LIHTC)

- Since 1986 the 9% LIHTC program has assisted in financing the creation or preservation of **13,811** housing units in the State of Nevada with a total of nearly $157 million in nine percent housing tax credits allocated.[i] Very roughly, equity value of about nine times the tax credit allocation was raised for production of housing units.
- The following objectives are identified in the 2019 Qualified Allocation Plan (QAP):
    - Increase the amount of safe and livable affordable rental housing in Nevada.
    - Preserve existing affordable rental housing.
    - Contribute to a vibrant and sustainable economy by supporting and facilitating the construction of affordable workforce housing near employment centers.
    - Increase the availability of housing with supportive services, including for veterans.
    - Support the housing goals and objectives stated in the State of Nevada Consolidated Plan.

Multifamily Bond Financing

- The Division is the designated issuer of tax-exempt housing revenue bonds. This type of financing uses tax exempt and taxable mortgage revenue bonds to fund affordable housing projects. Typically, it is used in combination with 4% Low Income Housing Tax Credits.
- Since 1975, over $2.1 billion of bond financing with $92,000,000 of 4% tax credit allocations has created or preserved nearly **28,000** multi-family units. [ii] Equity value of very roughly nine times the tax credit allocation was raised for production of housing units.

Table 1. Tax credit and bond units built or preserved since program inception**

Program	Units Built/Preserved since inception
4% Tax Credit with Bond	22,879
9% Tax Credit	13,811*
Bond Only	4,982
Total LIHTC/Bond	**41,672**

*Includes American Reinvestment and Recovery Act Tax Credit Assistance Program and Section 1602 properties.
**Properties with allocations as of July 2019 are included. 2,932 units were counted twice, once for the first round of bonds and/or tax credits and a second time for preservation of the unit with a second round of credits. There were 28 units that were initially

financed with bonds and have also received two rounds of tax credits for preservation. 11,111 units have converted to private market units.

HOME Investment Partnerships Program (HOME)

- The HOME program is the largest Federal block grant to state and local governments designed exclusively to create affordable housing. Often used in partnership with local nonprofit groups, the program funds a wide range of activities including building, buying, and/or rehabilitating housing for rent or homeownership or providing direct rental assistance to low-income people.
- Since 1992, HOME funds have built or rehabilitated over **3,748** housing units in Nevada.

The Account for Affordable Housing Trust Fund (AAHTF)

- AAHTF, formerly known as the Low Income Housing Trust Fund, is a state funded program whose goal is to expand and improve the supply of both single and multi-family affordable housing.
- Since its inception in 1989, AAHTF funds have served nearly **46,273** households through down payment, provision of emergency housing needs, or rehabilitation assistance. This total includes over **5,564** units that have been constructed or maintained as affordable housing through the AAHTF.

The Emergency Solutions Grant (ESG)

- The ESG grant program focuses on rapid re-housing initiatives and the prevention of homelessness. The emphasis of this program is to provide various relocation and stabilization services to avoid homelessness, while also providing rapid assistance for those who are homeless to quickly obtain permanent housing and stability.
- ESG funds have provided shelter for more than **45,067** at risk Nevadans since 2001.

Neighborhood Stabilization Program (NSP)

- The goal of the program is to stabilize communities through the rehabilitation of vacant homes and to sell or rent those homes to qualified low-income families.
- NSP has served more than **350** households.

Weatherization Assistance Program (WAP)

- The Weatherization Assistance Program serves to reduce energy costs for low-income families, particularly for the elderly, people with disabilities and children by improving the energy efficiency of their homes while ensuring their health and safety. The assistance is provided to eligible clients free of charge.
- The Weatherization Assistance Program weatherized **316** homes last year. The program, established in 1977, has increased energy efficiency for over **29,016** units of low income housing.

NVHousingSearch.org

- This locator service is a free to use resource helping Nevadans find rental homes which fit their needs and budgets. A new front page for the locator was launched in September of 2019.

- There is no cost to property managers, builders and developers to list any type of Nevada rental housing. Over **47,000** units are represented in the listings and the site has logged over **87,000** searches in the past year.
- Detailed resource information and Veterans' services links are available. Additionally, a toll-free call center can assist not only those looking to find a home, but also help property managers with analytics and other services.
- The housing resources on NVHousingSearch.org are designed to be accessible to a broad variety of users. Listings are available through multiple modes and the website follows the most recent Web Accessibility Initiative Guidelines. Many accessible features may be detailed in the listings.

Manufactured Housing

- The 2017 Legislative session passed SB500 combining Manufactured Housing with the Nevada Housing Division.
- This area of the Housing Division works to protect homeowners and occupants of manufactured housing by providing services that assist in keeping these homes safe, sound and sanitary.
- In 2019, Manufactured Housing issued over **6,030** titles and **4,078** permits, carried out **238** plan reviews and conducted **4, 246** inspections.
- The lot rent subsidy program was established in 1991 and provides up to $150 for lot rental to qualifying low income manufactured homeowners.

Home is Possible Homebuyer Program

- Home is Possible increases homebuyer purchasing power by offering qualified buyers down payment and closing cost assistance equal up to 5% of the loan amount.
- The Home is Possible, a Program for Heroes, offers below market interest rates to honorably discharged veterans, active duty, surviving spouses and National Guard.
- The Home is Possible for Teachers program helps recruit and retain licensed, full-time, K-12 public school teachers by offering below market interest rates and down payment assistance of $7,500.
- Since the inception of the program at the end of 2014, the Home is Possible program has helped over **23,000** homebuyers and has generated more than $4.85 billion in mortgages.

Low Income Housing Database

- The Housing Division is required to create and maintain a statewide low income housing database. As a part of the effort to meet this mandate the Division maintains a Low Income Housing Database webpage with maps, data, links and the most recent reports that have been generated as a part of the database project. An annual Affordable Housing Dashboard is produced as a part of the project as well as the Annual Housing Progress Report and this annual report, Taking Stock.

Affordable Housing Advocate

- The Affordable Housing Advocate was established during the 2017 Legislative Session within the Housing Division to help improve the affordable housing landscape across the state. The Affordable Housing Advocate strives to ensure superior customer service to individuals seeking services and support from the Housing Division, and endeavors to work with affordable housing stakeholders to strategically address the housing affordability crisis.
- The Affordable Housing Advocate especially strives to connect underserved populations, including seniors, veterans, disabled persons, and those with low to moderate incomes with housing and shelter providers, homebuyer programs, mortgage and rental assistance programs or other resources. The ultimate goal of the advocate is to ensure that every Nevadan has access to a safe and comfortable place to call home.

Each day ongoing housing challenges are met by a dedicated staff of professionals at the Division who allocate federal and state funds along with private sector investment dollars to help low to moderate income Nevadans make their housing dreams a reality.

Nevada's LIHTC Housing Stock

2019 New Construction and Preservation

This year, 16 properties finished construction and lease-up and have a placed-in-service date that falls in 2019 or late in 2018. Seven new properties with a total of 1,523 units were added. Eight additional properties received tax credits to help preserve 417 additional units. One additional property, Plaza at Fourth Street, renovated 50 units and added 24 new units by converting commercial space to residential units. Ten of the properties were issued 9% tax credits, five were financed through 4% tax credits and tax-exempt bonds while one property was financed through a mixture of both. Nine were family properties (1,288 units) and seven were senior properties (676 units) and one was a family property with veterans' preference with 50 units. One hundred and eighty-two of the units were in rural Nevada, 1,015 in Washoe County and 817 in Clark County. The properties are listed in Table 2 below.

Table 2. LIHTC properties preserved or created in 2019*

Property	County	# of units	Funding	Type	New or preserved
Allegiance Apts.	Clark	50	9% TC	Veterans preference	New
Belmont Apts.	Nye	24	9% TC	Family	Preservation
City Impact Center	Clark	66	9% TC	Senior	New
Espinoza Terrace	Clark	100	9% TC	Senior	Preservation
Flamingo Pines	Clark	66	9% TC	Senior	New
Highland Manor	Douglas	52	9% TC	Family	Preservation
Inova	Washoe	581	4% TC/ Bond	Family	New
Madison Palms	Clark	128	9%-4%TC/ Bond	Senior	New
Harmony Sr. Apts.	Clark	272	4% TC/ Bond	Senior	New
Plaza at Fourth Street	Washoe	74	9% TC	Family	Preservation/New
Rose Garden Townhouses	Clark	115	4% TC /Bond	Family	Preservation
Silverado Apartments	Lyon	24	9% TC	Senior	Preservation
Steamboat by Vintage	Washoe	360	4% TC /Bond	Family	New
Desert Properties	Nye	56	4% TC/ Bond	Family	Preservation
Sandia Manor Apts.	Lyon	26	9% TC	Family	Preservation
Overton Sr. Apts.	Clark	20	9% TC	Senior	Preservation
Total		**2,014**			

*The list includes properties that had a placed-in-service date in 2019 or late 2018. In some cases, not all buildings of a development had been placed in service. Not all properties had stabilized at the time of the survey, so they are not all included in the survey sample described in the following sections.

New Property Descriptions

Allegiance Apartments is a new development that opened on September 13, 2019 in Las Vegas providing 49 affordable units with veterans' preference and an onsite manager unit. Thirteen units are fully wheelchair accessible and include features such as wheel-in showers, adjustable closet shelves and roll-under counters. This property includes a Resident Service Coordinator to help with social activities as well as both onsite and offsite supportive services with local and state agencies and the Veterans Administration. Accessible Space Incorporated's Nevada Community Enrichment Program will provide on-site health and wellness services and adult education classes at no cost to residents.

Belmont Apartments are located in Tonopah in Nye County. The 24 one- and two-bedroom units with USDA Rural Development rental assistance were originally built in 1979. Units were renovated with new cabinets, countertops, flooring, appliances, patios and porches. A new community building was added with kitchenette, computer lab and exercise room. The property is owned by Nevada Rural Housing Authority and managed by Weststates Property Management.

City Impact Center Senior Housing is a new 66-unit senior development in Las Vegas set within the larger City Impact Center site. The site provides easy access to retail, groceries, park and walking trail, a church, banking, urgent care, public transportation and restaurants. Supportive services will be offered through the clubhouse including financial guidance and health and wellness screenings. George Gekakis Inc. is the developer.

Espinoza Terrace, located in Henderson, Nevada, was originally built in 1973 as public housing. This 100-unit senior housing complex received full renovation through the Rental Assistance Demonstration program. Renovation included adding square footage to the units with bump-outs. The property is owned by Southern Nevada Regional Housing Authority.

Flamingo Pines Senior Apartments are new affordable apartments for ages 55+. The 66 one- and two-bedroom units are the initial phase of the project. When all phases are finished there will be 175 new units. Pets are allowed. Features include 24/7 fitness center, movie theatre, salon, laundry rooms, dog park and a pool with spa. Flamingo Pines is a Nevada Hand property.

Highland Manor is a 52-unit affordable property located in Carson City, Nevada and was originally built in 1980. This location offers 52 one, two- and three-bedroom apartments. Renovations included completely new interiors as well as new windows, doors, paint and landscaping. A new community building was added to the property and solar energy will be used to help power the complex. Chicanos Por La Causa are the developers and the property will be managed by Weststates.

Inova is a new 581-unit mixed-income community located right next to a large shopping mall and easy freeway access in south Reno. This property offers one, two- and three-bedroom units and in unit washer and dryer. One hundred and fifty-five of the units are set aside as affordable units. Community amenities include fitness center, indoor basketball half court, pools and spas, fire pit, picnic areas, bocce ball, indoor volleyball court, cornhole game area, off-leash dog park, bike racks, and rentable storage.

Madison Palms is a new independent senior living community for 55+ in North Las Vegas. There are 128 two-bedroom units. Retail, grocery, banking, medical services, and public transportation are all within walking distance. Gated entry, fitness center, laundry room, computer room, heated pool and spa, stainless steel ENERGY STAR® appliances, vinyl wood flooring, covered parking, social activities and supportive services through Silver State Fair Housing are some of the amenities at this property.

Harmony Senior Apartments, the latest Ovation property to open in Las Vegas, has many amenities including a yoga studio, game room, pool with seating and spa and health and wellness centers. There are 272 one- and two-bedroom units. Pets are allowed. Units have washer and dryer hook ups, ENERGY STAR appliances, quartz countertops and open floor plans.

Plaza at 4th Street renovation work added 24 additional units to the existing 50 units built in 2002 by converting commercial space to residential space. The property is in a Reno Transit Oriented Corridor. Public transportation and many supportive services are located within a half-mile radius. The project was developed and is managed by Northern Nevada Community Housing.

Rose Garden Townhouses, located in North Las Vegas, were originally built in 1973, and offers 115 two- and three-bedroom townhouse style apartments with sliding scale rental assistance. Units received new appliances, cabinets, plumbing fixtures, carpeting, flooring, blinds and doors as well as repairs or replacements for hot water heaters, HVAC and roofing. A photovoltaic system was installed to supply some of the electricity for the apartments and a 2000 square foot community room was added. The developer on the project was Hampstead Companies.

Silverado Apartments is a USDA Rural Development senior apartment community located in Silver Springs. It was originally built in 1997. This property has 24 one-bedroom units that are all one story. Accessibility was improved in three of the units and new energy saving windows, doors, appliances, insulation, HVAC systems and lighting were installed, amongst many other updates to the property. The developer is Gregory Development Group and the property is managed by Weststates.

Steamboat by Vintage is a new 360-unit affordable complex. Located in South Reno, these apartments are close to shopping, restaurants and freeway entrances. Unique features include Amazon Hub Package lockers, dog park, rentable storage, tot lot, basketball court and pool. Walk-in closets, in unit washer and dryer, balconies and patios are some of the additional features at this new development managed by FPI Management.

Desert Properties has 56 one- and two-bedroom apartments in Tonopah, Nevada. This USDA Rural Development property with project-based rental assistance was originally built in 1982. Complete renovation included new flooring, cabinets, bathroom fixtures, baseboard heaters, paneling, doors, energy efficient lighting, windows and water heaters, new roofing, repairs to pavement and new landscaping. The property is owned by Nevada Rural Housing Authority.

Sandia Manor is a one-story property with 26 one-bedroom units in Fernley originally built in 1984 and 1985. Renovations include the addition of a shuffleboard court, new xeriscaping, new playground and community room, laundry room, improvements in accessibility, along with extensive renovation of the units including many energy saving features. GFM Development was the developer for this project.

Overton Senior is a USDA Rural Development senior property located in rural Clark County and has a total of 20 one-bedroom units originally built in 1980. Renovation was planned in part to reduce energy costs by 50% and reduce water use by 30%. New roofing was installed, all surfaces were refurbished, and solar energy was installed.

Properties Exiting the LIHTC System in 2019

The tax credit program requires properties to maintain restrictions on rents and on incomes of tenants for a period of at least 30 years. However, the tax credit benefits end after 10 years and active Internal Revenue Service (IRS) compliance ends after 15 years. After this initial 15-year period, in some cases, owners of tax credit properties may request that the Housing Division find a buyer for the property, with the price determined by IRS formula. If no buyer can be found after one year, owners may opt out of the extended affordability period and sell the property. This is called the qualified contract (QC) process. This year four LIHTC properties with a total of 765 units exited the system as seen in Table 3. All four properties were issued 4% tax credits and bonds from 1998 to 2002, had a placed-in-service date from 2000 to 2003 and left through the qualified contract process. The four properties were all family properties although City Centre has some units set-aside for individuals with qualified disabilities and Courtyard Centre had 17 special needs units. All were set aside for households with an income of 60% of HUD Area Median Income except for two units in City Center set aside for 50% AMI households. Hilltop and Stewart Villas had a mix of two- and three-bedroom units while City Center and Courtyard Centre were mostly studio units.

Table 3. LIHTC properties exiting the system in 2019

Property	County	Tax Credit issue year	PIS Year*	# of units (restricted units)
City Center	Clark	2002	2003	300 (295)
Courtyard Centre	Washoe	1999	2000	240 (240)
Hilltop Villas	Clark	1998	2003	111 (111)
Stewart Villas	Clark	1998	2002	114 (114)
Total	**NA**	**NA**	**NA**	**765 (760)**

*The PIS date is an approximation since the Placed-in-Service date occurs building by building and may involve more than one year for a large property

Executive Summary

This report provides an analysis of data collected through the Nevada Housing Division's (NHD) 2019 Affordable Apartment Survey. The survey focused on Low Income Tax Credit Housing (LIHTC) properties. Some notable findings are as follows:

- Overall vacancy rate in the 4th quarter of 2019 for the Nevada LIHTC responding properties was 2.7%, down from 3.1% in 2018 4th quarter.
- LIHTC vacancy rates were substantially higher in mining counties and slightly higher in Washoe County.
- Clark County LIHTC vacancy rates decreased by one percent from 3% in 2018 to 2% in 2019.
- Senior or senior/disabled LIHTC properties had a vacancy rate of 1.5% while family properties had a 3.6% vacancy rate.
- Both Washoe and Clark County LIHTC properties had lower vacancy rates than market properties.
- Units with set asides for the lowest income households had a vacancy rate of 0.7% versus vacancy rates of 2.5% for the units with set asides for the highest incomes allowable.
- Surprisingly, vacancy rates for units with rental assistance were higher (4.2%) than those without (2.3%).
- Four rural counties, Elko, Lyon, Humboldt and Nye, had LIHTC vacancy rates above 5%.
- Where comparisons were available, LIHTC vacancy rates were below market rate vacancy rates except for Northeast Reno.
- On average in 2019 LIHTC properties reported rents increased 3% in Clark County and 6% in Washoe County over 2018 rents.
- 4th quarter market rents increased 8% in Clark County and 3% in Reno/Sparks from 2018 to 2019.
- Over the past seven years 4th quarter market rate rents in Reno/Sparks rose 54% from $860 a month to $1,324 a month. In the same time average 4th quarter Washoe County LIHTC rents rose 27% from $716 to $911 per month.
- In the Las Vegas region, market rate rents rose 47% from 2013 to 2019 fourth quarter from $759 to $1,118 a month, while LIHTC rents rose 27% from $649 to $825.
- One, two- and three-bedroom high rents in LIHTC properties ranged from 30% to 38% lower than market rates on average.
- Broken out by neighborhood, average high LIHTC rents ranged from 10% to 43% lower than market rents in 2019.
- Over 90% of LIHTC properties with no project-based rental assistance have a minimum income requirement. The most prevalent minimum income requirement was that a tenant household have an income equal to or greater than twice the rent.
- Sixty-seven percent of respondents reported losses sustained due to lost rent and eviction proceedings that were less than $2,500 a year. Median midpoint loss was $21 per unit per year.

Introduction

The Division carried out a survey of the Low Income Housing Tax Credit (LIHTC) properties in October and early November of 2019. The survey helps identify affordable housing needs throughout the state. Additionally, the Division is able to work with its partners to make the best use of resources such as tax credit and bond funding in support of fulfilling its mission to provide affordable housing opportunities to individuals and families throughout Nevada.

The LIHTC program is a federal tax incentive program administered by the Internal Revenue Service (IRS) through regulations published under Section 42 of the Internal Revenue Code.[iii] The role the program's public private partnership plays in affordable housing is large. In 2019, tax credit units currently active or under construction made-up about 9% of the estimated 280,000 multi-family units in Nevada.[iv] The LIHTC program is by far the largest in Nevada, and nation-wide, for producing affordable rental housing. Seventy-eight percent of below-market multi-family housing units in Nevada have or will be constructed or rehabilitated fully or partially with tax credit funding.[v]

Methodology of Survey

The 2019 Affordable Apartment Survey focused on Nevada's LIHTC properties. Properties built with either 4% or 9% tax credits were included. A Qualtrics™ internet survey of LIHTC properties was carried out in the fall of 2019. Survey questionnaire links were sent via e-mail to property management offices with a list of the relevant properties. Home offices filled out the questionnaires or distributed them to onsite managers as necessary. Email was used to send out notices of the upcoming survey and several reminders. Follow-up phone calls were used as well to remind property managers who had not returned a survey. In addition, rent and vacancy data directly from rent roll summaries and pricing sheets submitted by property management groups with large portfolios of tax credit properties was used again this year. Data from a much shorter survey questionnaire and from these rent rolls was merged into the main dataset. Using data from rent rolls, a practice begun in 2017, represented a substantial change in methodology that in some cases affected results. Rent roll summaries were used to a greater extent in 2019 than in 2018, again representing a potentially significant methodology change. This year's survey collected information on rent and vacancies by income set aside and by number of bedrooms in the floor plan. Because this considerably increased respondent burden, many other questions were dropped to keep the survey short. The other additional topics added to this year's survey were minimum income required of tenants, and income loss due to non-payment of rent and eviction proceedings. Hard-copy forms of the electronic questionnaires used are included in the Appendices.

Survey Sample Description

The properties surveyed constitute the active LIHTC properties listed on the auditing rolls of NHD as of September 2019. Special use properties and new or renovated properties not yet stabilized were excluded where known.[vi] The surveyed properties represented 23,099 units. Each year has a slightly different group of participating properties included in the final dataset due to new properties added, properties having exited the system and variations in response rate. This year nearly 100% of the questionnaires were returned. The return rate was 99.2% with 252 of the 254 questionnaires submitted. These properties represent 99.0% of the 23,099 units surveyed (see Table 4). Las Vegas and surrounding communities had 126 responses, the Reno-Sparks region had 52 responses and 74 responses were from the remaining 15 Nevada counties. Sixty-three percent of the units represented in the survey are in Clark County.

About 2% of the units represented by returned questionnaires were market rate units or manager units. About 44% of the units were either senior units or senior/disabled units. Seventeen percent of the units had project based rental assistance available from United States Housing and Urban Development (HUD) programs, United States Department of Agriculture Rural Development programs or other programs. Project based rental assistance provides a deeper sliding-scale type subsidy to tenant households similar to the Housing Choice Voucher program except that the assistance is tied to the property.

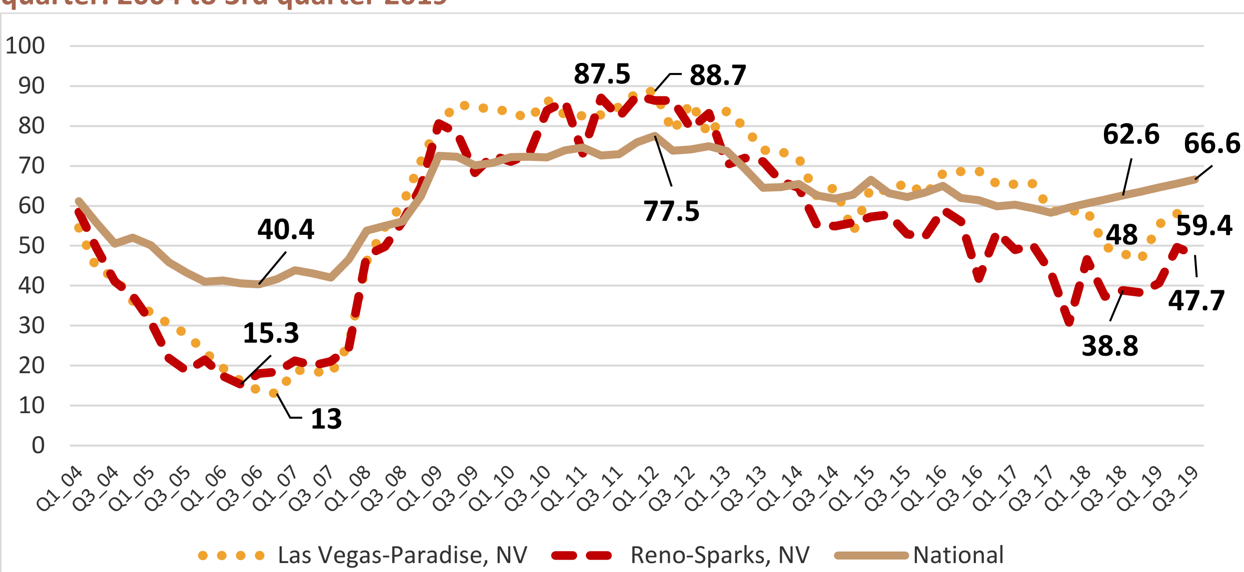
Table 4. Taking Stock survey respondents and response rate by region

Region	Properties Responding	Property Response Rate	Units Represented	% Units Represented
Clark Co.	126	99.2%	14,377	98.6%
Washoe Co.	52	100.0%	5,644	100.0%
Rural Nevada	74	98.7%	2,898	99.3%
Total	**252**	**99.2%**	**22,879**	**99.0%**

Economic Context: Home Affordability Up

The Nevada economy continued to gain jobs and population in 2019. For additional economic and housing context, Figure 1 gives the housing opportunity index from the National Association of Home

Figure 1. National Association of Home Builders – Wells Fargo Housing Opportunity Index, 1st quarter. 2004 to 3rd quarter 2019



National Association of Home Builders. NAHB-Wells Fargo Housing Opportunity Index.
http://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx accessed 11-7-2019

Builders. The index gives the share of homes sold that would be affordable to the median income family. Currently, affordability of single-family homes has been increasing both in the north and the south. Las Vegas at 59.4% was more affordable to the median family than Reno-Sparks at 47.7% in 3rd quarter 2019.

Despite increases in home prices, both regions experienced an increase in affordability this past year as mortgage rates declined and median incomes increased. As compared to the national affordability index of 66.6% both regions are less affordable to the median family than the national average.

Vacancies

Nevada 2019 LIHTC Overall Vacancy Rate Is 2.7%

The final sample included 221 properties' information on vacancies.[vii] Sixty-seven percent of the units were in Clark County, 20% in Washoe County, 5% in rural mining counties (Elko, Eureka, Humboldt, Lander, Nye, Pershing and White Pine) and 8% in the remaining rural counties (these are Douglas, Lyon, Lincoln, Churchill, and Carson City; the counties of Esmeralda, Mineral and Storey do not have tax credit properties). One percent of units reported were studio units, 35% were one-bedroom units, 46% were two bedroom, 15% three bedroom and 2% were four- or five-bedroom units.

Overall vacancy rate in the 4th quarter of 2019 for the Nevada LIHTC responding properties was 2.7%, down from last year's rate of 3.1% as reported in Taking Stock 2018. The median vacancy rate reported was 1.6%, meaning that half of all responding properties had a 1.6% vacancy rate or lower. Eighty-five properties, or 38% of the responding properties, reported that all units were full, that is, 0% vacancy rate. One hundred and eight-two properties (82%) had a vacancy rate of 5% or less. There were fifteen outlier properties with vacancy rates higher than 10%, the majority of which were small rural properties.

2019 Nevada LIHTC Vacancy Rates Vary by Region

Compared to 2018, overall vacancy rates were mixed across regions. The largest increase in overall 4th quarter vacancy rates was in the mining counties which increased from 5.3% in 2018 to 8.3% for 2019. Clark County had a lower vacancy rate than Washoe County again in 2019 with the spread between the two counties increasing as compared to 2018. For the past two years Washoe County has had higher overall vacancy rates than Clark County. Much higher vacancy rates were observed in Clark County as compared to Washoe County in years previous to 2017. Clark County properties reported a 2.0% overall vacancy rate in 2019 as compared to 3.0% in the 4th quarter of 2018. Other rural counties, which include several counties considered to be within the "Tesla effect" zone of influence in northwestern Nevada, increased to 3.0% from 2.4% last year. Vacancy rates were lowest overall for one bedroom (2.1%) and four-bedroom apartments (2.5%, not shown in table).

Table 5. 4th Quarter 2019 vacancy rate for LIHTC properties by region

Number of bedrooms	Clark	Mining Counties[viii]	Other Counties	Washoe	Nevada
One bedroom	1.7%	4.5%	2.0%	2.6%	2.1%
Two bedroom	2.0%	9.3%	3.5%	4.4%	2.9%
Three bedroom	2.7%	14.7%	4.4%	1.4%	3.3%
Overall average	**2.0%**	**8.3%**	**3.0%**	**3.2%**	**2.7%**

LIHTC Vacancy Rates Remain Lower than Market Apartment Vacancy Rates

Average fourth quarter or September 2019 market vacancy rates for multi-family properties in Las Vegas were down for the ALN Apartment Data Inc. (ALN) series. Over the past year ALN showed vacancies decreasing slightly to 6.2%. The Lied Institute series reports an even lower vacancy rate of 5.4%. Lied Institute Apartment Market Trends started a new methodology and report in 2019 so the previous series is no longer comparable.[ix] As compared to the ALN series, LIHTC vacancy rates in Las Vegas are considerably lower than market vacancy rates and have decreased more since 2013. In Reno-Sparks the market vacancy rate increased from 3.6% to 4.0% as measured by Johnson, Perkins and Griffin (JP & G) and increased somewhat from 5.7% to 6.4% as measured by the ALN Apartment data series.[x] Reno's overall LIHTC vacancy rate (3.2%) stayed the same as last year and was lower than the rate reported for the two market rate series. JP & G survey only properties with 80 or more units that have "competitive management on-site" while ALN uses properties with 50 or more units. The ALN data appears to be more inclusive. ALN data is produced monthly whereas the JP & G series is quarterly. As shown in Table 6, for both the Reno and Las Vegas market over the seven-year period from 4th quarter 2013 to 4th quarter 2019, the decrease in vacancy rates has been greater for the LIHTC properties, with Las Vegas LIHTC properties experiencing the largest decrease (5.8%).

Table 6. Comparison of 4th quarter market and LIHTC vacancy rates, 2013 to 2019

Region/Type	2013	2014	2015	2016	2017	2018	2019	Change 2013 to 2019
Las Vegas - market rate 1	9.1%	7.7%	6.8%	6.4%	7.2%	6.5%	6.2%	-2.9%
Las Vegas - market rate 2	8.7%	8.3%	8.2%	7.6%	7.6%	*		NA
Las Vegas – market rate 3							5.4%	NA
Las Vegas – LIHTC rate	7.8%	5.5%	4.3%	4.4%	2.9%	3.0%	2.0%	-5.8%
Reno- market rate 1	4.1%	3.3%	2.9%	2.9%	3.8%	3.6%	4.0%	-0.1%
Reno- market rate 2	4.0%	3.9%	4.3%	3.4%	5.0%	5.7%	6.4%	2.4%
Reno- LIHTC	5.3%	3.8%	3.5%	3.1%	2.6%	3.2%	3.2%	-2.1%

*Starting with 2019 the Lied Institute series has new methodology and report. Sources: Lied Institute Apartment Market Trends Report, ALN Market Reviews, Johnson, Perkins and Griffin Q4 2019 Apartment Survey See also endnotes 9 and 10.

Senior and Family LIHTC Vacancy Rates Both Decrease

Overall average vacancy rates in senior LIHTC properties decreased again this year, from 1.9% to 1.5% in 2019. The spread between family and senior property vacancy rates was 2.1 percent as it was in 2018. Washoe County senior properties reported a vacancy rate of 1.5% for one-bedroom units and 1.6% for two-bedroom units. Clark County vacancy rates in senior LIHTC properties were once again lower than Washoe's rates. As compared to last year all types of senior units in both Clark and Washoe County had lower vacancy rates or remained the same except for Clark County one-bedroom senior units which rose by 0.1 percent.

Family vacancy rates were lower for both one- and two-bedroom units in Clark County, while both one- and two-bedroom vacancy rates were up for family properties in Reno.

Table 7. 4th quarter 2019 vacancy rates for LIHTC senior and family properties

Number of Bedrooms	Family	Senior
Studio (0 bdrm)	6.4%	2.7%
One bedroom	2.9%	1.7%
Two bedroom	4.0%	1.2%
Three bedroom	3.3%	NA
Four bedroom	2.5%	NA
Overall average	**3.6%**	**1.5%**

Table 8. 4th quarter 2019 senior and family vacancy rates for LIHTC properties in Washoe & Clark Co.

	Clark Senior	Washoe Senior	Clark Family	Washoe Family
One bedroom	1.6%	1.5%	2.1%	3.9%
Two bedroom	1.1%	1.6%	3.0%	4.8%

Units with Set Asides for Lowest Income Households Have Lowest Vacancy Rate

Most tax credit properties must commit to serving either families earning under 60% HUD area median income (AMI) or families under 50% HUD AMI. However, through the Qualified Allocation Plan (QAP) process, properties that commit to serving even lower income families receive more points when competing for the credits. Also, several additional funding sources may be used which may require deeper subsidies through negotiation with local jurisdictions. Thus there are a variety of these "set-aside" commitments throughout Nevada's tax credit properties. Within the 221 properties analyzed for vacancy rates, about 46% of the units had a 60% set aside, 13% a 50 to 55% set aside, 15%, a 40 to 45% set aside and 3% had 30 to 35% set asides. Less than ½ of a percent of the units were reported to be set aside for 70% or 80% AMI and 2.5% were market rate units.[xi] For this analysis, properties with rental assistance were considered to be in a separate category. Nineteen percent of the units were in properties with full sliding scale rental assistance for this dataset.

Table 9. Nevada 4th quarter LIHTC vacancy rates by unit set-aside rate

Set aside	Vacancy rate
Full sliding scale rental assistance	4.2%
30 to 35% AMI	0.7%
40 to 45% AMI	1.8%
50 to 55% AMI	2.2%
60% or other higher AMI	2.5%
Market rate	3.2%

Property providers reported 4th quarter vacancies by set aside amount on the 2019 survey. As can be seen in Table 9, supply appears to be significantly tighter for units with lower income set asides. Units set aside for the lowest income levels had vacancy rates about two percent lower than the 60% AMI units. A surprising result is that units with full sliding scale rental assistance, capable of serving the lowest income households and generally known to have long waiting lists, reported the highest vacancy rate of all categories. Even when outliers were taken out of the sample, vacancy rates for these properties still averaged higher than any of the set aside categories. It is possible that the complex waiting list protocols for rental assistance units may slow down turnover of these units.

County and Neighborhood LIHTC Vacancy Rates

To investigate how vacancy rates may vary within the four regions of Clark County, Washoe County, mining counties and other counties some selected sub-regional LIHTC vacancy rates are reported below.

Mining County Vacancy Rates High

The housing markets in the cities and towns of rural Nevada may be almost completely unrelated to each other given the distances and low population density of the region. On the other hand, some counties near the urban centers in Washoe and Clark County may be highly related to the market in their urban neighborhood. Table 10 gives the LIHTC vacancy rate for selected Nevada counties. Clark and Washoe County rates are included again for comparison. Douglas County and Carson City had the lowest vacancy rates. Both these counties have strong commuting links to Washoe County. The two counties with the highest vacancy rates were Elko and Humboldt counties, both considered to be within the grouping of mining counties. The smaller number of properties and units included in the average for rural counties naturally create greater variability. However, Elko County vacancy rates were especially high in 2019 at 12.7% as compared to 2018 when the vacancy rate was 4.9%. Recent changes in the structure of mining employment due to a takeover and merger of operations may possibly have affected vacancy rates in Elko County.

Table 10. 4th quarter 2019 LIHTC vacancy rate for selected Nevada counties

County	LIHTC vacancy rate
Clark County	2.0%
Carson City	2.0%
Washoe County	3.2%
Douglas County	3.8%
Nye County	5.1%
Lyon County	5.3%
Humboldt County	7.4%
Elko County	12.7%

Las Vegas Metro LIHTC vacancy rates low in all neighborhoods

In addition, neighborhoods within urban regions may constitute somewhat differentiated housing markets for many reasons: distance to work centers, hospitals, parks and shopping, school quality, perceived and real crime rates and more. Selected neighborhood's LIHTC vacancy rates are reported in Table 11 and 13 below for Clark and Washoe County respectively.

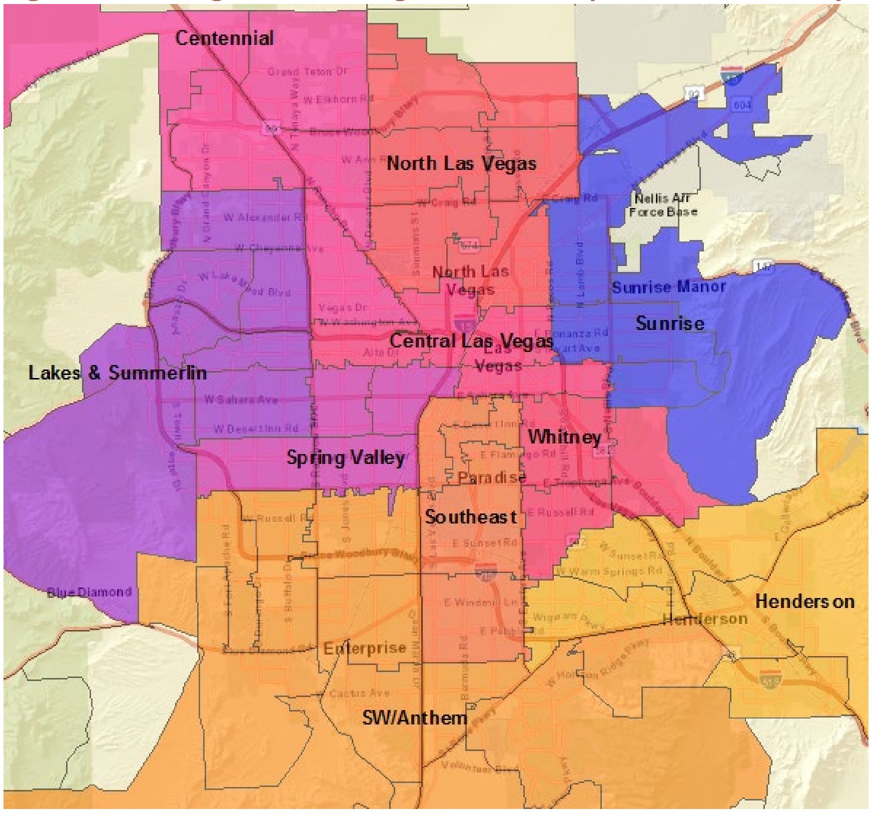
Clark County neighborhoods were defined using zip codes. Table 11 gives zip code definitions used, and Figure 2 illustrates the neighborhoods. Of interest are the relatively low vacancy rates in Central Las Vegas, both for LIHTC and market rate properties, both of which had the highest vacancy rates last year. Lowest rates were for properties in Southwest and Anthem, and in Whitney. Compared to Lied Institute private market vacancy rates, LIHTC vacancies were lower in all regions. The pattern of vacancy rates from lowest to highest was not similar for market properties and LIHTC properties. All regions had LIHTC vacancy rates considered to be in the low range. Averages for smaller regions are more likely to be influenced by changes in one or two properties' vacancy rates.

Table 11. 4th quarter 2019 LIHTC vacancy rate for selected Las Vegas Metro neighborhoods

Las Vegas Metro neighborhood	LIHTC vacancy rate	Lied 4th Qtr 2019 private market	Zip codes included
Southwest & Anthem	0.5%	5.4%	89012, 89044, 89052, 89054, 89113, 89118, 89139, 89141, 89148, 89178, 89183
Whitney	1.0%	4.8%	89120, 89121, 89122
Southeast	1.5%	5.5%	89109, 89119, 89123, 89169
Centennial	1.6%	4.6%	89108, 89130, 89131, 89143, 89149, 89166
Sunrise	1.6%	10.6%	89110, 89115, 89142, 89156
Henderson	1.9%	4.7%	89002, 89011, 89014, 89015, 89074
Central Las Vegas	2.0%	3.7%	89101, 89104, 89106, 89107
Spring Valley	2.1%	5.0%	89102, 89103, 89146, 89147
North Las Vegas	3.0%	5.4%	89030, 89031, 89032, 89081, 89084, 89085, 89086, 89087
Lakes & Summerlin	3.9%	5.5%	89117, 89128, 89129, 89134, 89135, 89138, 89144, 89145

Lied Institute for Real Estate Studies. University of Nevada Las Vegas, Apartment Marketing Trends, 4th Quarter 2019, and calculations by author. See Lied Institute Apartment Market Trends Report.

Figure 2. Las Vegas Metro neighborhood map for LIHTC vacancy rates



Area definitions adapted from Las Vegas View News Distribution Map Creative Commons.

Comparison by zip code rent range.

Because the definitions by neighborhood above tended to include zip codes with a wide range of rents, an alternate comparison of vacancy rates by Lied average rents for zip code areas was carried out. Average rents reported in the Fourth Quarter Apartment Market Trends from Lied Institute at UNLV were used to

Table 12. LIHTC and market rate vacancies by rent range of zip code.

Rent range for Zip Codes	LIHTC vacancy rate	Lied market vacancy rate*	Zip Codes in category
less than $825	2.0%	3.5%	89101,89104,89106
$826 - $925	2.3%	6.9%	89030,89102,89107,89109,89110,89115,89119,89121,89156,89169
$926-$1075	1.6%	4.1%	89005,89015,89103,89108,89120,89122,89142
$1076-$1250	2.2%	4.9%	89002,89014,89032,89081,89084,89086,89117,89118,89123,89130, 89146,89166
$1251 and up	0.5%	5.6%	89011,89012,89031,89052,89074,89113,89128,89129,89131,89134, 89135,89138,89139,89141,89144,89145,89147,89148,89149,89178, 89183

*Lied Institute 4th Quarter 2019 Apartment Market Trends by zip code and calculations by author. See Lied Institute Apartment Market Trends Report.

define the zip code categories. Results are in Table 12. Last year, a higher rent range seemed for the most part to correlate with lower vacancy rates. Results in 2019 are more mixed. However, the LIHTC properties in the most expensive zip codes had a very low vacancy rate of 0.5%. Market rate vacancies for market rate apartments as reported by Lied were mixed also without a clear pattern between rent range and vacancy rate. All LIHTC vacancy rates were lower than Lied market vacancy rates.

Reno/Sparks vacancy rates

Reno/Sparks neighborhoods were defined to facilitate comparisons with Johnson, Perkins and Griffin's Quarterly Apartment Survey for 4th Quarter 2019 by using the definitions and map posted on page eight and nine, a screenshot of which is displayed with permission in Figure 3 and 4.

Figure 3. Johnson, Perkins and Griffin market area map for Reno-Sparks

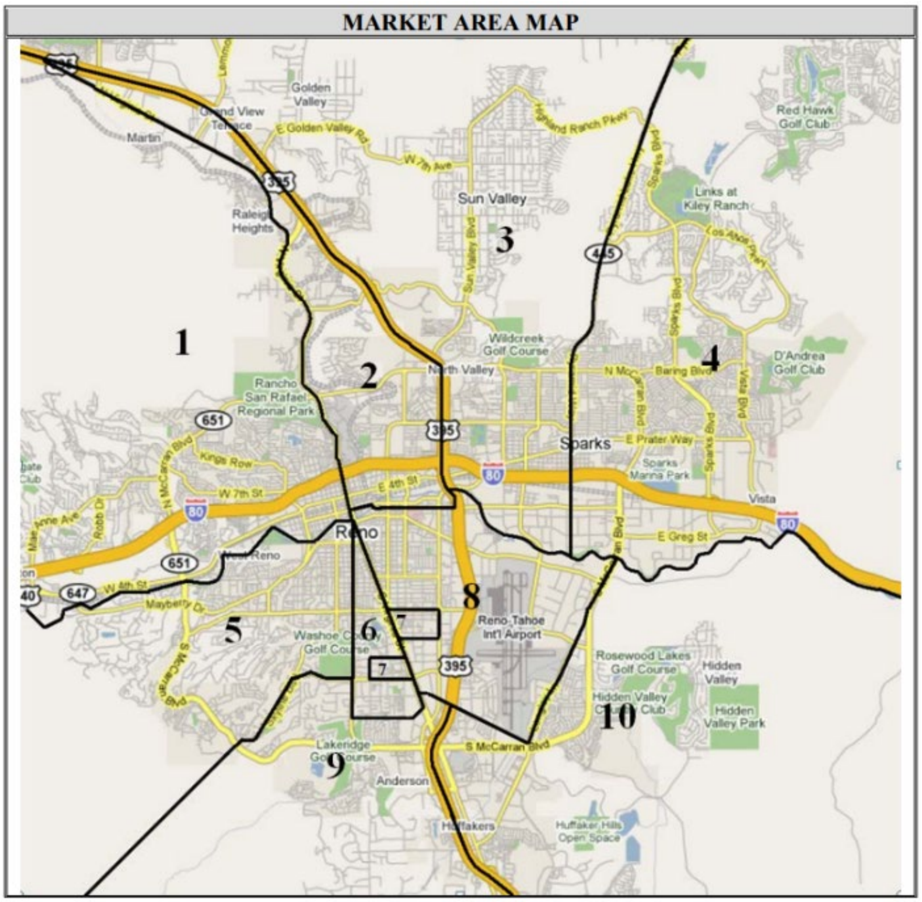


Figure 4. Johnson, Perkins and Griffin market area definitions for Reno/Sparks

MARKET AREAS		
Area	**Sub-Market**	**Location**
1	Northwest Reno	North of Truckee River & West of N. Virginia St.
2	Northeast Reno	North of 2nd St.; West of US-395 & Northtowne Lane; East of N. Virginia St.
3	West Sparks/North Valleys	North of the Truckee River; West of Pyramid Way; East of US-395
4	East Sparks	North of the Truckee River & East of Pyramid Way
5	West Reno	North of Moana Lane; West of Plumas St.; South of Truckee River
6	Southwest Reno	South of Truckee River; West of S. Virginia St.; East of Plumas St.; North of Redfield Parkway
7	Brinkby/Grove	North of Moana Lane; West of S. Virginia St.; South of Brinkby Ave.; East of Lakeside Dr. & North of Linden St.; West of Kietzke Lane; South of Plumb Lane; East of S. Virginia St.
8	Airport	North of Peckham Lane; West of Longley Lane; East of S. Virginia St.; South of 2nd St. & Truckee River
9	Lakeridge	South of Moana Lane and Redfield Parkway; West of S. Virginia St.
10	Southeast Reno	South of Truckee River; East of S. Virginia St.& Longley Lane
11	Downtown Urban	Downtown Reno; Downtown Sparks
***Sub-Market Area 11 is not depicted on the following Market Area Map, as is contains portions of Downtown Reno and Downtown Sparks, which are contained within previously existing Sub-Market Areas.**		

LIHTC vacancy rates were low in all Reno/Sparks sub-regions with the lowest vacancy reported in West Sparks/North Valleys region at 1.6%. Johnson, Perkins and Griffin (JP&G) fourth quarter vacancy rates were mixed as compared to LIHTC vacancy rates. All neighborhood LIHTC vacancy rates were lower than private market vacancy rates except in Northeast Reno. This was not true in 2018.

A comparison of vacancy rates by average rent of the neighborhood as reported by JP&G 4th quarter was carried out for Reno-Sparks as it was for the Las Vegas Metro region but with only two rent regions. Results were similar to 2018 in that lower rent neighborhoods were associated with higher LIHTC vacancy rates. The regions with average rent from $900 to $1300 per month in 4th quarter JP&G had an average LIHTC vacancy rate of 3.6% whereas the higher rent neighborhoods reporting rents over $1300 a month had an LIHTC vacancy rate of 2.4%.

Table 13. 4th quarter 2019 LIHTC vacancy rate for selected Reno/Sparks neighborhoods

Reno/Sparks neighborhoods	LIHTC vacancy rate	JP&G private market vacancy rate*
West Sparks/North Valleys	1.6%	4.8%
Airport (Reno)	2.3%	2.9%
Northwest Reno	2.3%	3.2%
Northeast Reno	3.4%	1.2%

*Johnson, Perkins & Griffin 4th Quarter 2019 report.

Rents

HUD Median Family Income Higher

Maximum allowable rents for LIHTC properties are complex. They depend on regional HUD median family incomes, determined annually, set aside agreements, the date each property is put into service, whether median incomes have increased or decreased, and other factors.[xii]

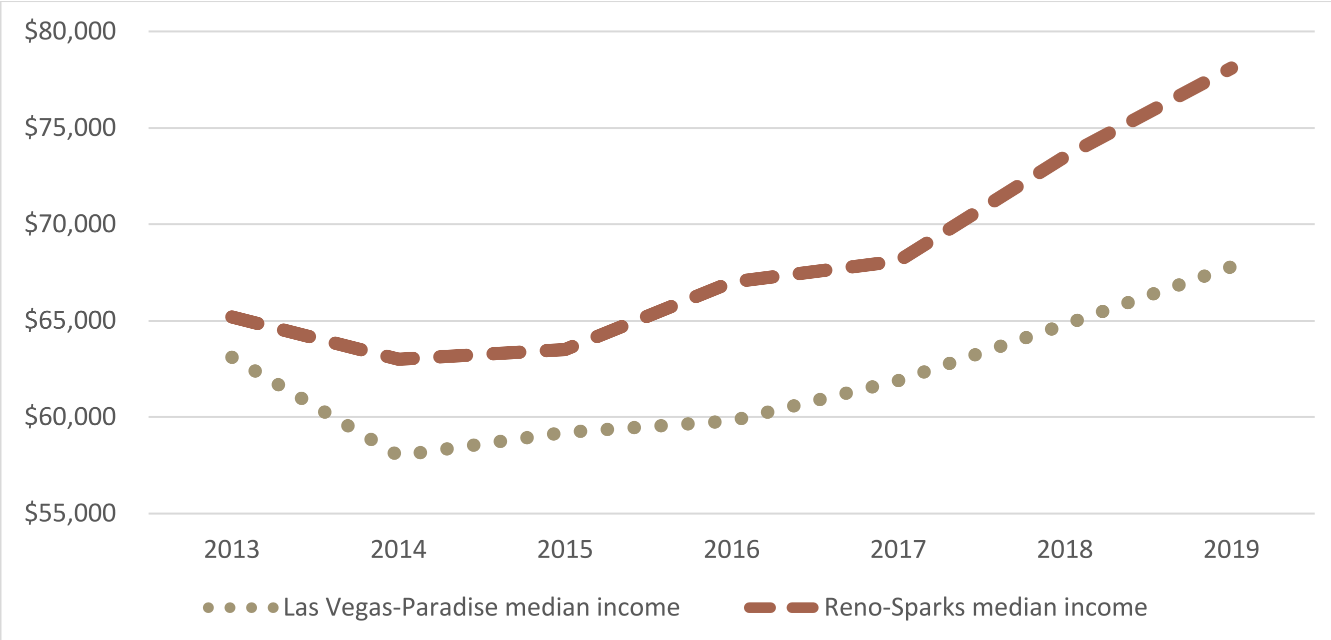
HUD median family income finally surpassed the 2013 level in Clark County in 2018 and is now, in 2019, 8% higher than in 2013 and 5% higher than last year. Washoe County's was 20% higher than 2013 levels and 6% higher than 2018 (see Figure 5).[xiii]

HUD median family incomes are used to calculate the HUD adjustments to the four-person very low-income limits (4P VLIL) that ultimately are used to specify the Multi-family Tax Subsidy Project rent and income limits. Adjustments that have been applied recently include the state non-metropolitan adjustment which assures that no 4P VLIL is lower than 50% of state non-metropolitan median family income. In 2019, Nevada non-metropolitan median family income was lower than 2018, and thus Clark County 4P VLIL received a smaller state non-metropolitan adjustment. Thus in turn rent maximums were decreased 0.6% in total despite the increase in median family income.[xiv] In Washoe County, no adjustments were used in 2019 and HUD median family income, 4P VLIL and maximum allowable rents all increased by 6.3%. See Figure 6.

Any change in utility costs could also influence rent. Gross rents are restricted in tax credit properties. Gross rent includes utility costs. Utility costs are paid for by the tenant for a majority of Nevada's tax credit units (Taking Stock 2015 found that 77% of tenants paid for all utilities). If so, rents must be reduced by an estimated utility allowance. Nevada average residential prices for natural gas trended higher from 2018 to 2019 while electricity prices were up 1% on average.[xv] See Figure 7 and 8 below. Heating degree days were up 19% in 2019 over 2018 in Las Vegas offset by a decrease of 15% in cooling degree days. Similarly, in Reno, heating degree days were up 6% while cooling degree days were up down 16%.[xvi]

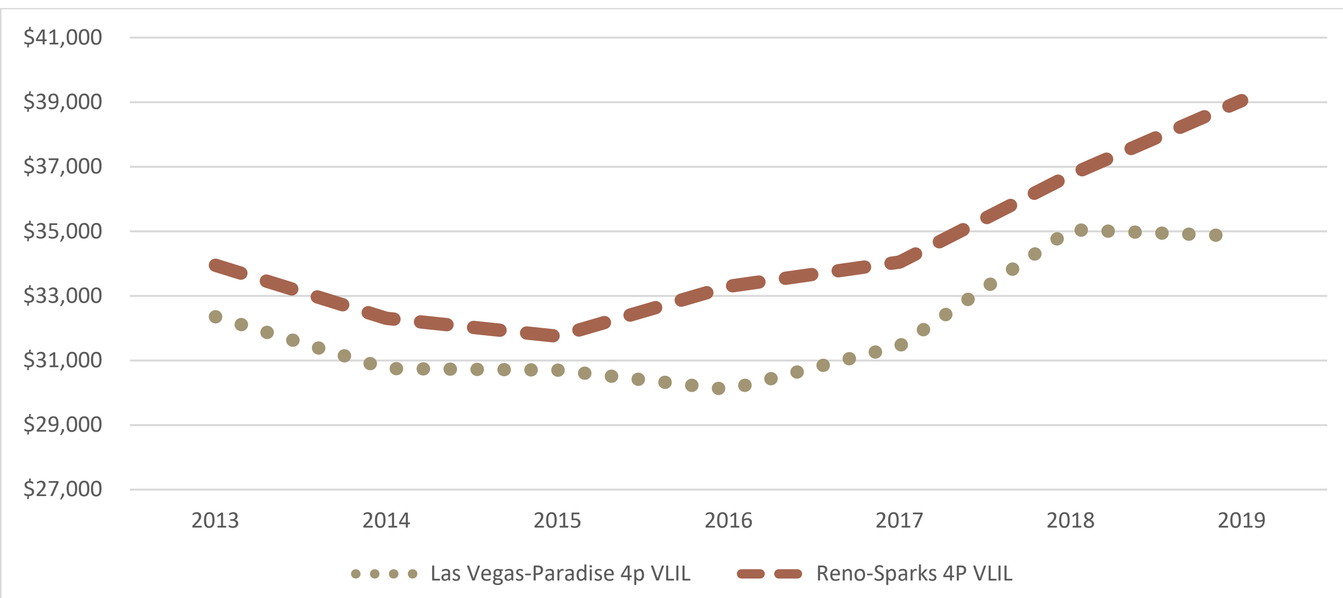
The changes in median income and maximum allowable rents, and changes in utility costs would have a mixed effect on LIHTC rents reported in the 2019 survey. Owners that were not charging maximum rents may also have raised rents.

Figure 5. HUD median family income from 2013 to 2019 for Reno-Sparks and Las Vegas-Paradise



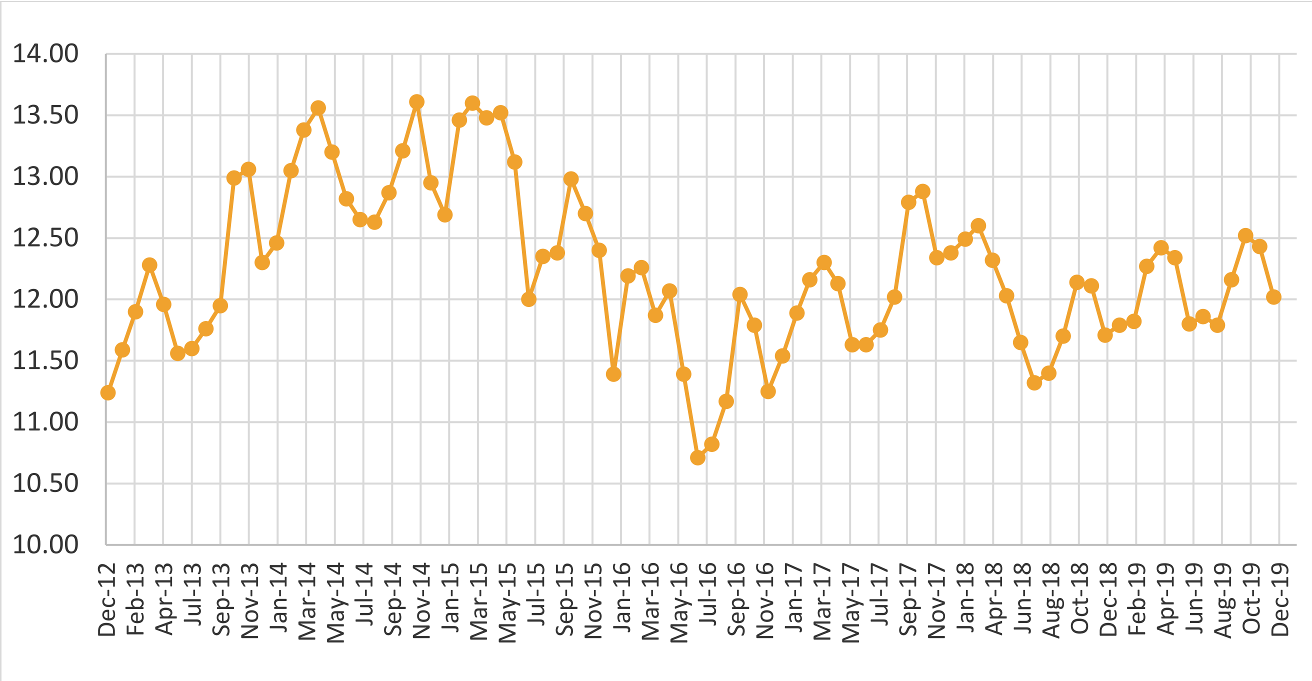
Source: NHD chart using U. S. Housing and Urban Development. Multifamily Tax Subsidy Projects Rent and Income Limits. **https://www.huduser.gov/portal/datasets/mtsp.html**

Figure 6. HUD Four Person Very Low Income Limit for Reno-Sparks and Las Vegas-Paradise, 2013 to 2019



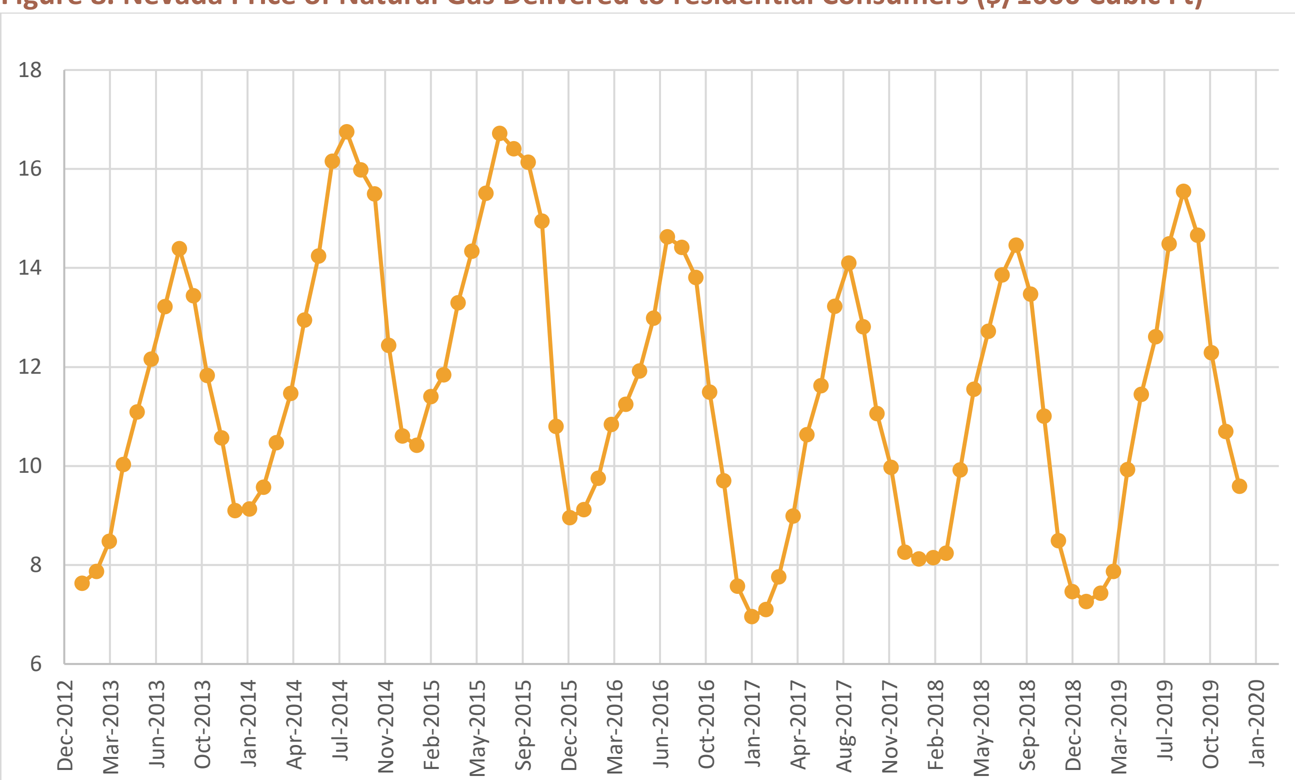
Source: NHD chart using U. S. Housing and Urban Development. Multifamily Tax Subsidy Projects Rent and Income Limits. **https://www.huduser.gov/portal/datasets/mtsp.html accessed 2-3-2020**

Figure 7. Nevada Residential Price for Electricity (Cents/kWh)



Source: See endnote 15.

Figure 8. Nevada Price of Natural Gas Delivered to residential Consumers ($/1000 Cubic Ft)



Source: See endnote 15.

A New Look at Rents in Nevada Tax Credit Properties

As discussed above, there are a variety of "set-aside" commitments throughout Nevada's tax credit properties which govern maximum allowable gross rents. Affordability restrictions may range from 30% AMI to 80% AMI with affordability for households at or below 60% of HUD area median income (AMI) being the most common restriction. This year, property managers were asked to give rent on turnover according to number of bedrooms and according to the rent set-asides. The additional information on set-asides, not normally collected, allowed for a more precise estimate of the average rent, by weighting the average with the number of units set-aside for various household income levels. For most years, a simpler rent range was collected for Taking Stock. For more about the differences between the rent range collected in most previous editions of Taking Stock and the set-aside weighted averages presented this year see Appendix B.

Average Rents by Set-aside

Rents by set-aside were found for properties without project-based rental assistance (Table 14). Of the 213 properties with full data on rents, 62 had project-based sliding-scale rental assistance for some or all units.[xvii] The rent by set-aside data in Table 14 is for the remaining 151 projects without project-based rental assistance. For these 151 projects, 4% of units had set asides for households at or below 30% to 35% AMI, 19% had set asides for households at or below 40% to 45% AMI, 16% for households at or below 50% to 55% AMI, 57% for households at or below 60% AMI and 4% of the units were at market rate or at 80% AMI. Lowest set aside units had a smaller proportion of three-bedroom units and more studio and one-bedroom units than did the units with 60% set-asides.

Table 14. Average 4th Quarter 2019 LIHTC Rent by Set-aside

	30-35% AMI	40-45% AMI	50-55% AMI	60% AMI	80% AMI or market	Market rate from ALN and JP&G studies*
Clark	$ 457	$ 581	$ 705	$ 845	$ 928	$1,118
Washoe	$ 432	$ 596	$ 768	$ 1,008	$ 1,286	$1,324
Nevada Total	**$ 450**	**$ 591**	**$ 721**	**$ 883**	**$ 961**	**NA**

*ALN Las Vegas Market Review, October 2019, ALN Market Reviews, Johnson, Perkins and Griffin Apartment Survey, 4th Quarter 2019, Reno Sparks Metro, Johnson, Perkins and Griffin Q4 2019 Apartment Survey

Average Rents by Region and Floorplan

Average LIHTC rents for one- and two-bedroom units were lowest in Clark County. For three-bedroom units, mining counties had the lowest LIHTC rents. Overall, Clark County had the lowest average rents. The highest average rent reported for all floorplan types except one-bedroom was in Washoe County. Mining Counties had the highest one-bedroom rents.

Table 15. Average high 2019 4th Quarter LIHTC rents by region and by number of bedrooms

# of Bedrooms	Clark	Mining	Other	Washoe	Nevada
One-bedroom	$ 647	$ 812	$ 719	$ 735	$ 680
Two-bedroom	$ 780	$ 850	$ 837	$ 908	$ 809
Three-bedroom	$ 937	$ 854	$ 959	$ 1,138	$ 976
Overall average	**$ 765**	**$ 834**	**$ 812**	**$ 879**	**$ 794**

4th Quarter LIHTC Rents About One Third Lower than Market Rents in 2019

The LIHTC average rents were compared to average market rate rents. As was the case in the past several years, average LIHTC rents were found to be well below average market rents published in Johnson, Perkins and Griffin for the Reno Metro region and in ALN Apartment Data Reviews in the Las Vegas Metro region. The set aside information allowed for a more refined estimate of average LIHTC rents so that the comparison is clearer.

In the 2018 Taking Stock, similar comparisons to those in Table 16 and 17 showed about the same difference in rents for the Reno region, but the rent wedge between LIHTC and ALN market rate rents in Las Vegas was only about 25% in contrast to the 30% to 35% wedge found this year. The different findings are related both to the more refined rent estimate and to the change in both market rate and LIHTC rents over the period. Average ALN market rate rents for October were up 6.9% over 2018 in the Las Vegas metro area whereas in the Reno market, where the past few years have seen rapidly rising rents, average JP&G rents were up just 2.5%.

Table 16. Comparison of 4th quarter 2019 market and LIHTC high rents in Washoe County

Number of Bedrooms	High LIHTC	JP&G market*	% lower
One-bedroom	$735	$ 1,179	38%
Two-bedroom	$ 908	$ 1,394	35%
Three-bedroom	$1,138	$ 1,771	36%

*Johnson, Perkins and Griffin Apartment Survey, 4th Quarter 2019, Reno Sparks Metro, Johnson, Perkins and Griffin Q4 2019 Apartment Survey, email correspondence and calculations by author.

Table 17. Comparison of 4th quarter 2018 market and LIHTC high rents in Clark County*

Number of Bedrooms	LIHTC	ALN Apt. market**	% lower
One-bedroom	$647	$999	35%
Two-bedroom	$780	$1,170	33%
Three-bedroom	$937	$1,335	30%

*Five percent of LIHTC units are outside of greater Las Vegas.
**ALN Apartment Data Las Vegas Review Oct. 2019. Email with ALN Analytics Specialist 3-26-2020. ALN Market Reviews

4th Quarter 2019 Rents Higher than 4th Quarter 2018 Rents

In order to keep a more consistent time series, average high rent for Table 18 was found without using set aside data (see Appendix B for more about this topic). On average LIHTC properties reported rents increased 3% in Las Vegas and 6% in Reno/Sparks over 2018 rents. In comparison, market rate rents increased by 8% in Las Vegas and about 3% in Reno/Sparks. In both Las Vegas and Reno/Sparks, average market rate rents increased almost twice as much as LIHTC rents over the 2013 to 2019 period.

Table 18. Comparison of 4th quarter rents in Washoe County from 2013 to 2019

Type of unit	2013	2014	2015	2016	2017	2018	2019	Increase 2013 to 2019
Studio – J & P mkt. rate	$ 545	$ 555	$ 580	$ 673	$ 723	$ 837	$804	48%
Studio - LIHTC	$ 544	$ 550	$ 577	$ 572	$ 593	$ 725	$646	19%
1 bdrm - J & P mkt. rate	$ 717	$ 775	$ 840	$ 939	$1,062	$1,155	$1,179	64%
1 bdrm - LIHTC	$ 626	$ 665	$ 686	$ 709	$ 716	$ 747	$766	22%
2 bdrm - J & P mkt. rate*	$ 878	$ 918	$1,003	$1,141	$1,245	$1,356	$1,394	59%
2 bdrm - LIHTC	$ 699	$ 741	$ 805	$ 819	$ 849	$ 867	$940	34%
3 bdrm- J & P mkt. rate	$1,117	$1,176	$1,263	$1,382	$1,551	$1,762	$1,771	59%
3 bdrm - LIHTC	$ 929	$ 983	$ 962	$1,012	$1,049	$1,056	$1,175	26%
Overall- J & P mkt. rate	$ 860	$ 868	$ 946	$1,066	$1,180	$1,292	$1,324	54%
Overall - LIHTC	$ 716	$ 755	$ 784	$ 807	$ 823	$ 861	$911	27%

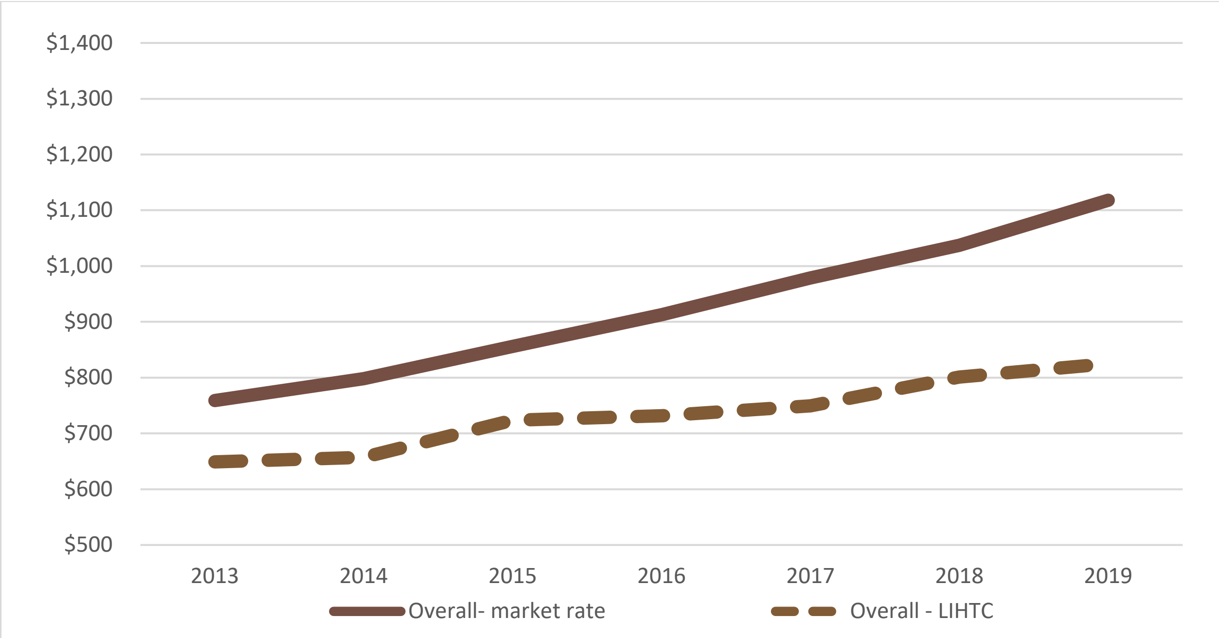
Source of market rate rents: Johnson, Perkins and Griffin Q4 2019 Apartment Survey, email correspondence and calculations by author.

Table 19. Comparison of 4th quarter rents in Clark County from 2013 to 2019*

Type of unit	2013	2014	2015	2016	2017	2018	2019	Increase 2013 to 2019
Studio – ALN mkt. rate	$ 495	$ 517	$ 571	$ 603	$ 637	$685	$769	55%
Studio - LIHTC	$ 473	$ 486	$ 624	$ 642	$ 634	$698	$584	23%
1 bdrm - ALN mkt. rate	$ 665	$ 701	$ 754	$ 806	$ 860	$ 923	$999	50%
1 bdrm - LIHTC	$ 572	$ 569	$ 637	$ 635	$ 646	$ 691	$712	24%
2 bdrm - ALN mkt. rate	$ 798	$ 838	$ 896	$ 955	$1,024	$1,101	$1,183	48%
2 bdrm - LIHTC	$ 670	$ 688	$ 735	$ 749	$ 769	$ 823	$835	25%
3 bdrm- ALN mkt. rate	$ 928	$ 971	$1,040	$1,107	$1,175	$1,261	$1,335	44%
3 bdrm - LIHTC	$ 756	$ 805	$ 867	$ 866	$ 910	$ 968	$1,003	33%
Overall- ALN mkt. rate	$ 759	$ 798	$ 856	$ 913	$ 979	$1,037	$1,118	47%
Overall - LIHTC	$ 649	$ 657	$ 724	$ 732	$ 750	$801	$825	27%

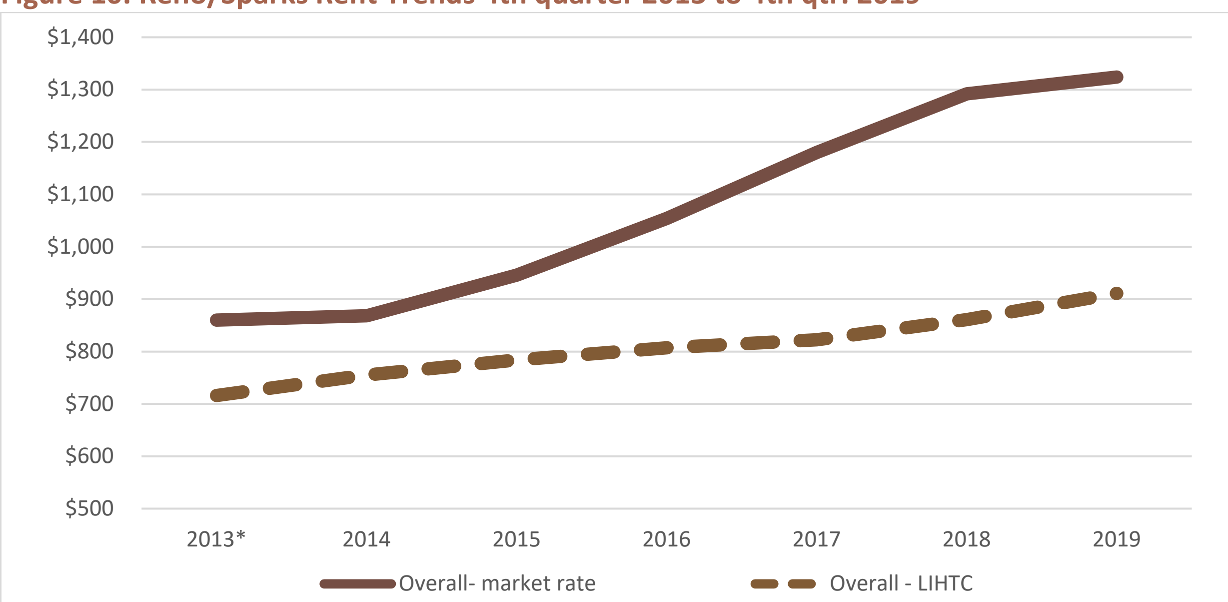
*Five percent of Clark County LIHTC units are outside of greater Las Vegas.
Source of market rate rents: ALN Market Reviews,

Figure 9. Las Vegas region rent trends 4th quarter 2013 to 4th qtr. 2019



Source: Table 20.

Figure 10. Reno/Sparks Rent Trends 4th quarter 2013 to 4th qtr. 2019



Source: Table 19.

County and Neighborhood LIHTC Rents

To investigate how LIHTC rents may vary within the four regions of Clark County, Washoe County, mining counties and other counties some selected sub-regional rent averages are reported below. The collection of rent by set aside data allows a more refined comparison than has been available previously.

Mining and Other Rural LIHTC average rents vary widely

Different counties have widely varying median incomes and maximum allowable rents. Table 20 gives the LIHTC average rents for selected Nevada counties. Clark and Washoe County are included again for comparison. Nye County had the lowest average rents while Elko County had the highest. Although as discussed above, rents are influenced by many variables, Nye has the lowest HUD family median income of the counties displayed and Elko has the highest.

Table 20. Average 4th quarter 2019 LIHTC rents for selected Nevada counties

County	LIHTC High Rent
Nye	$702
Humboldt	$770
Clark	$765
Carson City	$790
Lyon	$861
Douglas	$823
Washoe	$879
Elko	$916

Las Vegas Metro LIHTC-market rent spread greatest in Henderson, Lakes & Summerlin neighborhoods

Neighborhoods within urban regions may constitute somewhat differentiated housing markets for many reasons: distance to work centers, hospitals, parks and shopping, school quality, perceived and real crime rates and more. For selected neighborhoods, LIHTC average rents are reported in Table 21 and 23 below for the Las Vegas Metro and Reno Metro regions respectively.

Table 21. 4th quarter 2019 LIHTC rents for selected Las Vegas Metro neighborhoods

Las Vegas neighborhood	Avg. LIHTC high rent	4th Quarter Lied market rent*	% lower
Central Las Vegas	$ 708	$805	12%
Sunrise	$ 757	$924	18%
Whitney	$ 743	$974	24%
Southeast	$ 832	$942	12%
Spring Valley	$ 799	$1,059	25%
North Las Vegas	$ 775	$1,106	30%
Centennial	$ 707	$1,136	38%
Henderson	$ 699	$1,196	42%
Lakes & Summerlin	$ 748	$1,290	42%
Southwest & Anthem	$ 846	$1,387	39%

*Weighted averages for Lied Market rents calculated by the author with data from Apartment Market Trends rental and vacancy rates by zip code area and definitions of neighborhoods given in Table 12. See Lied Institute Apartment Market Trends Report,

Clark County neighborhoods were defined using zip codes as explained in the vacancy section above. A substantial difference in average rents was reported between neighborhoods which varied from $699 in Henderson to $846 in the Southwest & Anthem neighborhood. Market rate rents varied from $805 to $1,387 a month. Average rents charged are influenced by the presence of set asides for lower income groups, mix of floor plans, and many other factors. The spread between market rents and LIHTC rents was greatest in Henderson and Lakes & Summerlin neighborhoods, with average rents 42% lower than market rents reported there. Southeast and Central Las Vegas had the lowest spread with LIHTC rents 12% less than market rents.

Comparison by zip code rent range

The definitions by neighborhood above tended to include zip codes with a wide range of rents so an alternate comparison of LIHTC rents by Lied average rents for zip code areas was carried out. Average rents reported in the Fourth Quarter Apartment Market Trends from Lied Institute were used to define the zip code categories. The results are in Table 22 below. In the zip code areas with market rents below an average of $925 per month, LIHTC rents were 10% to 11% lower than the market average. Forty-five percent of the Las Vegas metro region LIHTC units included in the survey rent calculations were in these zip codes. Thirty-eight percent of the Lied Institute apartment units were in these two lowest rent regions. For other rent range zip codes, LIHTC rents ranged from 31% to 43% lower than market rents. Fifty-five percent of the Las Vegas Metro LIHTC units were in these three regions while 62% of the market units were in the three more expensive categories. Thirteen percent of the LIHTC units were in the most expensive zip codes with market rents $1,251 a month or higher, while 35% of the Lied market rate units were in those zip codes.

Weighting rents with set aside information should help to make a more accurate comparison between market and LIHTC rents, but some unknowns remain such as the extent each region's apartments include or do not include utilities in the rent for LIHTC and private market properties, and the extent to which bedroom floor plan mixes differ.

Table 22. Las Vegas Metro average LIHTC and market rate rents by rent range of zip code.

Rent range for Zip Code	LIHTC rent	Lied market rent*	% LIHTC lower	Zip Codes in category
$825 or less	$ 708	$ 790	10%	89101,89104,89106
$826 - $925	$ 782	$ 883	11%	89030,89102,89107,89109,89110,89115, 89119, 89121,89156,89169
$926-$1075	$ 702	$1,056	34%	89005,89015,89103,89108, 89120,89122,89142
$1076-$1250	$ 824	$1,195	31%	89002,89014,89032,89081,89084,89086,89117,89118, 89123,89130,89146,89166
$1251 or higher	$ 780	$1,368	43%	89011,89012, 89031,89074,89113,89128,89129, 89131,89134,89135,89138,89139,89141, 89144, 89145, 89147,89148, 89149,89178,89183

*Lied Institute 4th Quarter 2019 Apartment Market Trends by zip code and calculations by author. See Lied Institute Apartment Market Trends Report,

Reno/Sparks neighborhood LIHTC rents

Reno/Sparks neighborhoods were defined as described in the section above on vacancies to facilitate comparisons with Johnson, Perkins and Griffin (JP & G). LIHTC rents were substantially lower in all neighborhoods with enough data for comparisons, with wedges from 25% to 43% reported. However, not all neighborhoods had enough data for a comparison to be reported.

A comparison of LIHTC rents by rent range as reported by JP&G 4th quarter was carried out for Reno-Sparks as it was for the Las Vegas Metro region but with only two rent regions composed of JP&G neighborhoods. As seen in Table 23 LIHTC lowest rents were about 28% lower than averages reported in JP&G for the lower rent neighborhoods and 31% lower than average rent in the higher rent neighborhoods.

Table 23. 4th quarter 2019 LIHTC rents for selected Reno/Sparks neighborhoods

Reno/Sparks Neighborhood	Avg. LIHTC High Rent	JP&G Market Rent	% lower
NE Reno	$ 838	$1,166	28%
West Sparks	$ 863	$1,172	26%
NW Reno	$1,001	$1,334	25%
Airport	$ 708	$1,244	43%

*Johnson, Perkins and Griffin Q4 2019 Apartment Survey

Table 24. Reno-Sparks LIHTC and market rate rents by rent range of neighborhood

Reno JP&G Rent range	LIHTC Lowest Rent	JP&G Rent*	% Lower	JP&G Neighborhoods in Rent Range
$900 to $1,300	$837	$1,155	28%	Northeast Reno, West-Sparks/N. Valley, West Reno, Brinkby/Grove, Airport, Southwest Reno
Over $1,300	$977	$1,406	31%	Northwest Reno, East Sparks, Lakeridge, Southeast Reno

*Email correspondence and calculations by author with Johnson, Perkins and Griffin Q4 2019 Apartment Survey

Minimum Income Requirements

All tax credit properties have maximum rent restrictions as well as restrictions on maximum incomes of tenant households. However, the LIHTC properties often have minimum restrictions on incomes of tenant households as well, as do most rental properties, in order to minimize the chances that a tenant will be unable to keep up with rent payments. This year two questions were added to the survey about minimum income restrictions:

Q11 What minimum income requirements are used for tenants in this property?

- ❑ *Tenants must have an income equal to one and one-half times the rent.*
- ❑ *Tenants must have an income equal to two times the rent.*
- ❑ *Tenants must have an income equal to two and one-half times the rent.*
- ❑ *Minimum income requirements differ for each type of unit set-aside (please describe)*

____

- ❑ *Other minimum income requirement (please describe)*

____

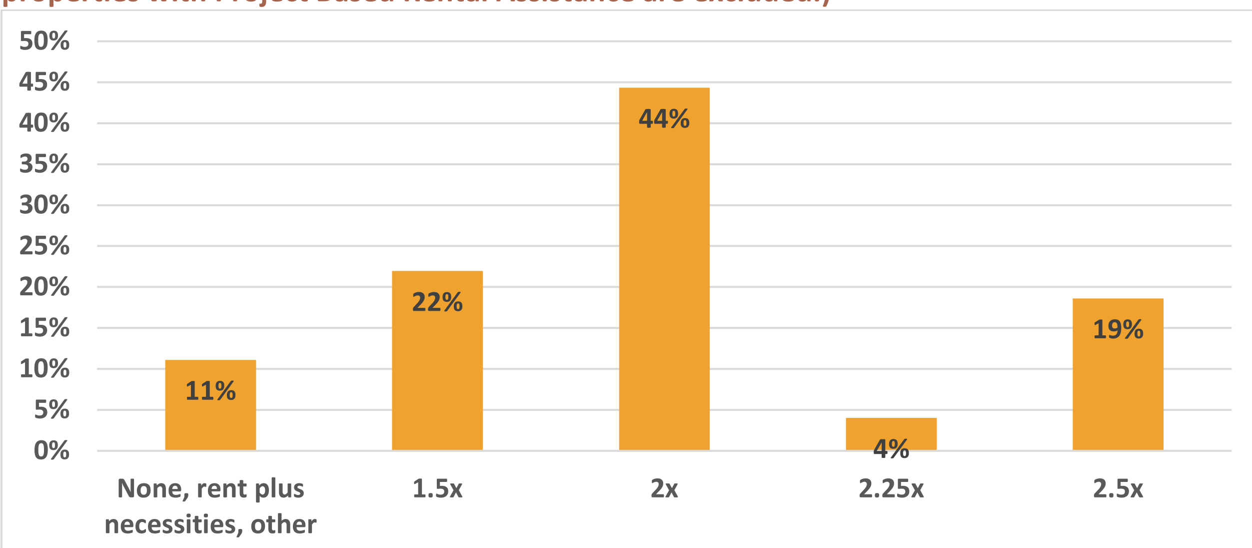
- ❑ *This property does not have minimum income requirements.*

Q12 Which of the following factors change the minimum income requirement for tenants at your property (check all that apply):

- ❑ *history of paying rent on time*
- ❑ *good employment record*
- ❑ *no unpaid or outstanding collections, no recent bankruptcy*
- ❑ *low levels of credit card, auto and other debts*
- ❑ *tenant has Housing Choice Voucher*
- ❑ *tenant has other housing supports*
- ❑ *no factors change the minimum income requirement*
- ❑ *other (please explain)* ____

Results from the first question are in the figure below. Units with project based sliding scale rental assistance must obviously be treated differently than ones without since nearly the entire rent could potentially be paid by the rental assistance program rather than the tenant. Thus, properties with project based rental assistance were not included from the calculations.[xviii]

Figure 11. Percentage of LIHTC units with given minimum income requirement policy. (Units in properties with Project Based Rental Assistance are excluded.)

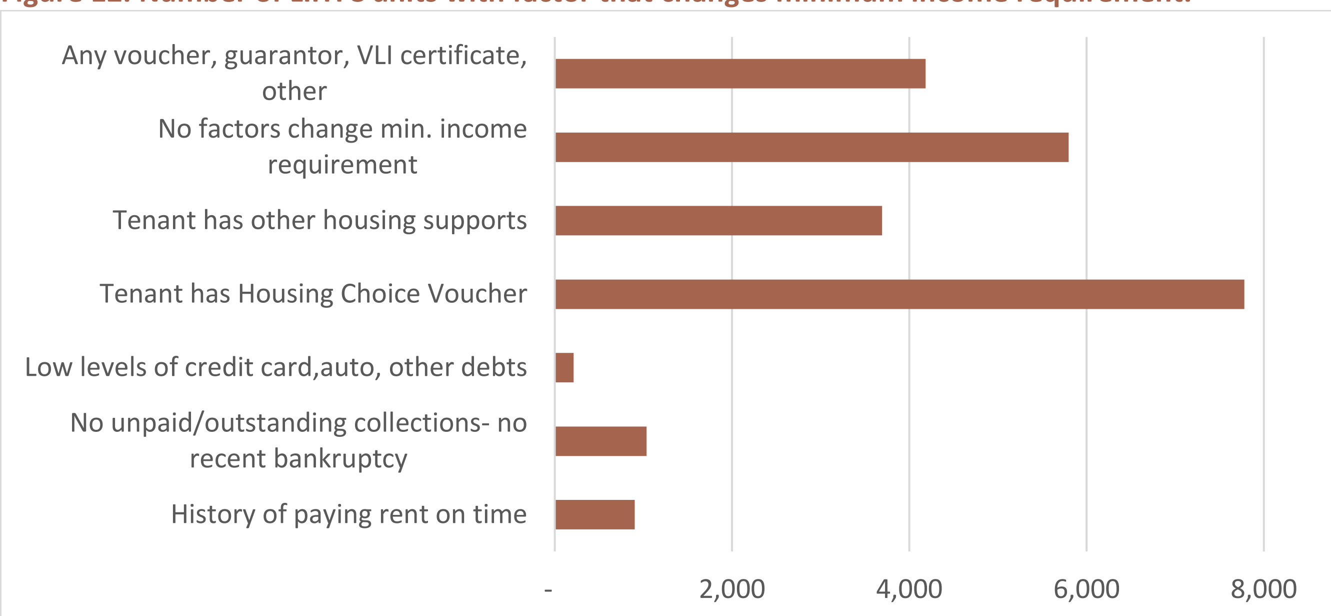


Ninety-three percent of the properties without project-based rental assistance had a minimum income requirement of some sort. The most common minimum income restriction was that the tenant must have household income equal to two times the rent. This was the case for 44% of the units included in the survey results. The next most common restrictions were that a tenant have an income of 2.5 times the rent (19% of units) and 1.5 times the rent (22% of units). Four percent of the units had a minimum income restriction that a tenant must have income equal to or greater than 2.25 times the rent for properties where utilities are included in the rent. Eleven percent of units were in properties with other policies. Other policies reported were a minimum of $12,000 income per year, minimum income 1.75 times the rent, minimum income 3.5 times the rent, different policies for market rate units, two times the rent with variations for number of occupants or utility allowances, no minimum income requirement or requirement that tenant show how they will be able to meet rent and basic expenses.

One hundred and fifty-seven properties had minimum income data for which a number could be assigned. For example, where two times the rent was the required minimum, "2" could be assigned, or where no minimum income was required, "0" was assigned. An average number for minimum income times rent was found for regions, large and small properties and senior and family. The average income requirement was 1.9 times rent. Somewhat smaller average minimum income requirements were found for properties in Reno and rural counties, both extra-large and smaller size properties, and for family properties.

What factors change the minimum income requirement? Respondents could choose multiple answers on question 12. Many units were under policies that make exceptions for tenants with a housing choice voucher (7,779), any type of voucher or guarantor (4,182), or other type of support (3,691). A total of 5,797 units were in properties where the management said no exceptions were made to the minimum income rules. Other factors that changed the minimum income requirements were history of paying rent on time or history of paying higher rent (901 units affected), no unpaid or outstanding debts (1,035 units), low levels of auto, credit card, other debts or miscellaneous (213 units).

Figure 12. Number of LIHTC units with factor that changes minimum income requirement.



Landlord losses due to eviction proceedings or non-payment of rent

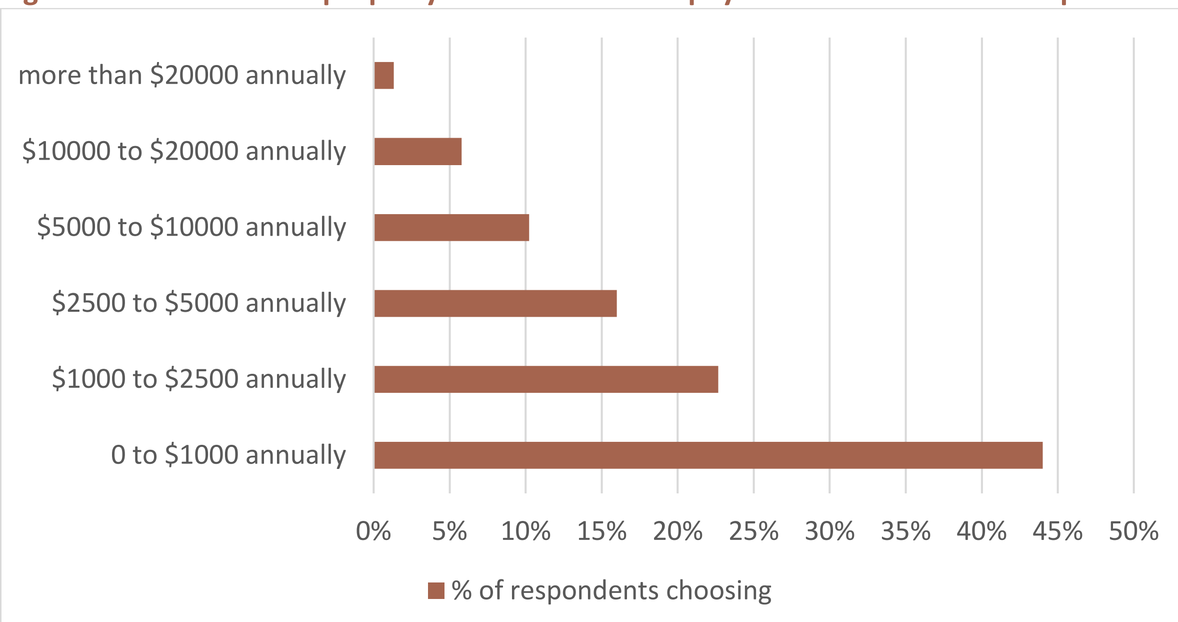
Ultimately, financial viability of LIHTC projects is important to both low income renters and landlords of LIHTC properties. One reason landlords may use minimum income requirements is to reduce the chance of unpaid rents or eviction proceedings. Respondents were asked to indicate the approximate losses due to eviction proceedings or unpaid rents.[xix]

Q13 Please estimate your properties' lost income this past year due to non-payment of rent and eviction proceedings:

- *0 to $1,000 annually*
- *$1,000 to $2,500 annually*
- *$2,500 to $5,000 annually*
- *$5,000 to $10,000 annually*
- *$10,000 to $20,000 annually*
- *more than $20,000 annually*

Results are in Figure 13. Most properties (67%) reported losses either in the $0 to $1,000 or $1,000 to $2,500 categories. Using an assumption that no property lost more than $40,000, reported losses fell between $0 to $500 per unit per year or from 0% to 5% of annual rental income from an average unit. Midpoint median loss per unit per year was $21 or 0.2% of annual rental income for an average unit.

Figure 13. Annual LIHTC property losses due to non-payment of rent or eviction proceedings



Discussion and Conclusion

The 2019 edition of Taking Stock collected rent and vacancy by set-aside as well as by number of bedrooms in the floorplan. Weighting derived from the set-aside information allowed for the calculation of a much narrower range of low to high rents. Using the set aside information this year, we found that the true average LIHTC rent is substantially closer to the high side of the range of rents usually collected. This makes sense since there are more set asides for 50% and 60% AMI households than for lower income levels. The more accurate range allowed for better comparison of market rents and LIHTC rents than was possible with the 2018 data and was again used to examine results by neighborhood. The data showed that in 2019 the minimum wedge between market and LIHTC average rents was 10% and maximum wedge was about 43%. Unfortunately, because nine times more data needs to be collected for each floorplan, the respondent burden is high, and it is not practical to collect the set-aside data every year.

Feedback from agencies sometimes indicates difficulty placing clients in LIHTC housing units because of minimum income requirements. To investigate this problem, respondents were asked to indicate any minimum income requirements. Over 90% of LIHTC properties indicated that they had a minimum income requirement with 44% using a requirement that tenant households have a minimum of twice as much monthly income as the rent. Respondents were also asked about property loss of income due to eviction proceedings or non-payment of rent. Losses appeared to be modest for most properties with a median reported loss of $21 per unit per year or about 0.2% of annual rental income for an average unit.

NHD would once again like to thank the management companies and their employees for their outstanding participation in this year's survey. Their efforts to house Nevada's most vulnerable populations amidst difficult economic conditions and demanding regulatory requirements warrant acknowledgement.

This report can be found on Nevada Housing Division website at www.housing.nv.gov. The Division encourages ideas or suggestions for future reports to be emailed to NHDinfo@housing.nv.gov or sent to Nevada Housing Division, attention Elizabeth Fadali, efadali@housing.nv.gov, Carson City, NV 89706.

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Appendix A Survey Questionnaire

Below is the 2019 Affordable vacancy and rent long survey (Qualtrics on-line survey). Because the survey was taken online on computer or phone screens there is no way to present the survey completely on paper.

2019 LIHTC Affordable Vacancy & Rent Survey Final

Start of Block: Start-up Questions

Q1 Thank you for your help with the Nevada Housing Division's 2019 rent and vacancy survey. Please contact Betsy Fadali at 775-687-2238 with any questions. We very much appreciate your help.

Q2 How many properties would you like to enter information for now (you may enter up to three)? ___

End of Block: Start-up Questions

Start of Block: Rest of Survey

Q3 Name of Property:

▼

Q4 If the name of the property was not in the drop down list above or needs corrections fill in below.

____

Q5 Address of Property

▼

Q6 If address is not in the drop down list above or needs any corrections please note below:

____

Q7 Number of units

Affordable units: _______
Market units: _______
Other units - please describe (e.g. manager units, caretaker units, etc.): _______

Total: ________

Q8 Which types of units are in your complex? Please check all that apply.

- ▢ Studio
- ▢ One bedroom
- ▢ Two bedrooms
- ▢ Three bedrooms
- ▢ Other____

Q9 Which area median income set aside restrictions apply to your property? Please check all that apply.

- ❑ market rate
- ❑ 30% set aside
- ❑ 35% set aside
- ❑ 40% set aside
- ❑ 45% set aside
- ❑ 50% set aside
- ❑ 55% set aside
- ❑ 60% set aside
- ❑ other set aside____

Q10 Please fill out the **total number of units** of each type for your property:

	Market	30% set aside	35% set aside	40% set aside	45% set aside	50% set aside	55% set aside	60% set aside	other set aside
Studio									
One bedroom									
Two bedrooms									
Three bedrooms									
Other									

Q11 Please fill out the **number of vacant units** of each type for your property:

	Market	30% set aside	35% set aside	40% set aside	45% set aside	50% set aside	55% set aside	60% set aside	other set aside
Studio									
One bedroom									
Two bedrooms									
Three bedrooms									
Other									

Q12 Please fill out the **lowest rent you will charge on turnover** of each type of unit:

	Market	30% set aside	35% set aside	40% set aside	45% set aside	50% set aside	55% set aside	60% set aside	other set aside
Studio									
One bedroom									
Two bedrooms									
Three bedrooms									
Other									

Q13 Please fill out the **highest rent you will charge on turnover** of each type of unit:

	Market	30% set aside	35% set aside	40% set aside	45% set aside	50% set aside	55% set aside	60% set aside	other set aside
Studio									
One bedroom									
Two bedrooms									
Three bedrooms									
Other									

Q14 Or if the highest rent charged on turnover is equal to the lowest rent (only one rent for each type of unit) just check the yes box below.

- ❍ Yes, highest rents are equal to lowest rents for each type of unit above.
- ❍ No, some units have higher rents and I've filled them out above

Q15 Do you currently have any renovation project or other unusual factor that affects your vacancy rate?

- ❍ Yes
- ❍ Maybe
- ❍ No

Display This Question If “Do you currently have any renovation project or other unusual factor that affects your vacancy rate?” = No

Q16 Please describe any unusual factor affecting your vacancy rate:

____

Q17 What was the property's average occupancy rate for the past 12 months? ______________

Q18 What minimum income requirements are used for tenants in this property?

- ❑ Tenants must have an income equal to one and one-half times the rent.
- ❑ Tenants must have an income equal to two times the rent.
- ❑ Tenants must have an income equal to two and one-half times the rent.
- ❑ Minimum income requirements differ for each type of unit set-aside (please describe) ____
- ❑ Other minimum income requirement (please describe) ____
- ❑ This property does not have minimum income requirements.

Q19 Which of the following factors change the minimum income requirement for tenants at your property (check all that apply):

- ❑ history of paying rent on time
- ❑ good employment record
- ❑ no unpaid or outstanding collections, no recent bankruptcy
- ❑ low levels of credit card, auto and other debts
- ❑ tenant has Housing Choice Voucher
- ❑ tenant has other housing supports
- ❑ no factors change the minimum income requirement
- ❑ other (please explain) ____

Q20 Please estimate your properties' lost income this past year due to non-payment of rent and eviction proceedings:

- ❍ 0 to $1,000 annually
- ❍ $1,000 to $2,500 annually
- ❍ $2,500 to $5,000 annually
- ❍ $5,000 to $10,000 annually
- ❍ $10,000 to $20,000 annually
- ❍ more than $20,000 annually

Q21 You have reached the end of the survey. Thank you! Do you have any comments?

____

2019 LIHTC Affordable Vacancy & Rent Short

Start of Block: Start-up Questions

Q1 Thank you for your help with the Nevada Housing Division's 2019 rent and vacancy survey. Please contact Betsy Fadali at 775-687-2238 with any questions. We very much appreciate your help.

Q2 How many properties would you like to enter information for now (you may enter up to three)? ________

End of Block: Start-up Questions

Start of Block: Rest of Survey

Q3 Name of Property:

▼

Q4 If the name of the property was not in the drop down list above or needs corrections fill in below.

____

Q5 Address of Property

▼

Q6 If address is not in the drop down list above or needs any corrections please note below:

____

____

Q7 Number of units

Affordable units: _______
Market units: _______
Other units - please describe (e.g. manager units, caretaker units, etc.): _______

Total: ________

Q8 Do you currently have any renovation project or other unusual factor that affects your vacancy rate?

- ❍ Yes
- ❍ Maybe
- ❍ No

Display This Question If "Do you currently have any renovation project or other unusual factor that affects your vacancy rate?" = No

Q9 Please describe any unusual factor affecting your vacancy rate:

____

Q10 What was the property's average occupancy rate for the past 12 months? ______________

Q11 What minimum income requirements are used for tenants in this property?

- ❑ Tenants must have an income equal to one and one-half times the rent.
- ❑ Tenants must have an income equal to two times the rent.
- ❑ Tenants must have an income equal to two and one-half times the rent.
- ❑ Minimum income requirements differ for each type of unit set-aside (please describe) ____
- ❑ Other minimum income requirement (please describe) ____
- ❑ This property does not have minimum income requirements.

Q12 Which of the following factors change the minimum income requirement for tenants at your property (check all that apply):

- ❑ history of paying rent on time
- ❑ good employment record
- ❑ no unpaid or outstanding collections, no recent bankruptcy
- ❑ low levels of credit card, auto and other debts
- ❑ tenant has Housing Choice Voucher
- ❑ tenant has other housing supports
- ❑ no factors change the minimum income requirement
- ❑ other (please explain) ____

Q13 Please estimate your properties' lost income this past year due to non-payment of rent and eviction proceedings:

- ❍ 0 to $1,000 annually
- ❍ $1,000 to $2,500 annually
- ❍ $2,500 to $5,000 annually
- ❍ $5,000 to $10,000 annually
- ❍ $10,000 to $20,000 annually
- ❍ more than $20,000 annually

Q14 You have reached the end of the survey. Thank you! Do you have any comments?

End of Block: Rest of Survey

Appendix B Comparison of Set-aside Weighted Rents and Rent Range

Rent restrictions are governed by IRS rules about tax credit properties, and by agreements developers entered into in the Qualified Allocation Plan when competing for tax credits, as well as agreements related to other funding sources such as HOME. Most tax credit properties must commit to serving families earning either under 60% or 50% area median income as defined by HUD and as required by IRS regulations. However, through the Qualified Allocation Plan (QAP) process, negotiations with the Housing Division or jurisdictions or inclusion of HOME units or National Housing Trust funds, properties may commit to serving even lower income families. As a result, rent and income restrictions for LIHTC properties in Nevada range from approximately 30% AMI to 80% AMI. Also, a small percentage of LIHTC units included in this survey were market rate units without any rent restrictions.

This year, property managers were asked to give rent on turnover according to number of bedrooms and according to the rent set-asides. In most years, respondents have only been asked to give lowest and highest rents by number of bedrooms, giving a rent range. Having rents by set-aside changes the rent analysis and results considerably from years where high and low rents are provided without set-aside information. For example, suppose a property manager reports having two one-bedroom units with 30% AMI set-asides at $380 a month rent, 40 one-bedroom units with 40% AMI set-asides at $490 a month rent and 10 one-bedroom units with 50% set-asides at $630 a month rent. A weighted average rent for one-bedroom units at this property would be $513 a month, which we could find with the rents by set-aside data. However, for most years Taking Stock asked only for a low and a high rent, which would have given us, for example, a range for this property's one-bedroom rents from $380 to $630.

To better understand this change, two sets of calculations were done for average 2019 LIHTC rents. One is a reconstruction of the rent range obtained without taking into account set aside information as has been done for most years of Taking Stock. The other set of rents is calculated using the full set-aside data to weight the averages (see Table 14). The additional information on set asides allows for a more precise estimate of the average rent. The averages found with the set aside information lie within the low to high rent range calculated without set aside information. However, notice that the average rents weighted with the additional information on set-asides tend to be closer to the high rents from the reconstruction. This is likely because there are often a very small number of units with the lowest set asides (30% of AMI). Without set aside information the average low rent of the range is overstated.

Note that even within rents by set-aside, for about 15% of properties, there was a range of rents reported. That is, even within a set of units with a given bedroom floor plan and set-aside, a minority of properties indicated that there still was a range of rents charged, so information about "high" and "low" rents was collected. However, the difference between average high and low rents in the reconstruction is $169 dollars on average as compared to $9 with the set aside information included.

The comparison in Table 14 is important to understand when comparing 2019 Taking Stock rent data from 2019 to previous years. In the Taking Stock series, only the 2014 Taking Stock collected similar data on rents by set aside.

Because of the similarity of the "low" and "high" rents once set aside information is taken into account, and to minimize confusion, only high rents are displayed this year throughout the rent section. The rents found by weighting by set-aside units are not used in Table 18 and 19, however, in order to maintain the consistency of the time series data in those tables.

Table 25. Comparison of 2019 Nevada LIHTC Average Rent Range with and without Set-aside Data

Floorplan	Low Rent Reconstruction- No Set-aside Data	High Rent Reconstruction- No Set-aside Data	Low Rent Weighted with Set-aside Data	High Rent Weighted with Set-aside Data	Low Rent Difference	High Rent Difference
Studio	$556	$636	$614	$616	$58	($20)
1 Bedroom	$581	$732	$676	$680	$94	($52)
2 Bedroom	$678	$857	$797	$809	$119	($48)
3 Bedroom	$847	$1,028	$963	$976	$116	($52)
4 or 5 Bedroom	$890	$1,109	$1,070	$1,071	$180	($38)
Overall Average	$675	$844	$785	$794	$110	($50)

Endnotes

[i] The totals include units and dollars available through the American Reinvestment and Recovery Act Tax Credit Assistance Program and Section 1602 properties. GDP Implicit Price Deflator in United States, Index 2015=100, Annual, Not Seasonally Adjusted, as used to adjust bond amounts and tax credit allocations to 2019 dollars. Deflator data from Organization for Economic Co-operation and Development, GDP Implicit Price Deflator in United States [USAGDPDEFAISMEI], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/USAGDPDEFAISMEI, February 27, 2020.

[ii] GDP Implicit Price Deflator in United States, Index 2015=100, Annual, Not Seasonally Adjusted, as used to adjust bond amounts and tax credit allocations to 2019 dollars. Deflator data from Organization for Economic Co-operation and Development, GDP Implicit Price Deflator in United States [USAGDPDEFAISMEI], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/USAGDPDEFAISMEI, February 27, 2020.

[iii] Section 42 regulations can be found at: https://www.irs.gov/pub/irs-drop/rr-04-82.pdf

[iv] Census Bureau, American Community Survey 5-year estimates for 2018, Table B25024, Units in Structure accessed 2/4/2019. https://data.census.gov/cedsci/ For Nevada Tax Credit Housing by County, an in-house Nevada Housing Division database gives total housing units in tax credit properties as of February 13,, 2020 as 25,828 including units under construction.

[v] From NHD in-house database, Mothership.xlsx, 4-16-2020. There were a total of 33,836 active below-market units listed in the database, with 26,272 units that had tax credit involvement currently or in the past. The list includes public housing, HUD and USDA Rural Development Multi-family, Housing Authority non-aided properties and LIHTC properties.

[vi] Some special use properties were excluded such as properties serving homeless populations or assisted living facilities.

[vii] Eighteen of the questionnaires were not used for these calculations because of special circumstances (e.g. rent-up not completed for new property, in process of renovation) or because of missing or incomplete data. In addition the way phases were grouped together differed in the response set and in the original list sent out to properties.

[viii] Mining counties were determined in 2014 using a cut-off of 10% or more QCEW place of work employment in the mining sector and included Elko, Nye, Humboldt, White Pine, Pershing, Lander and Eureka County. Mineral and Esmeralda counties have high mining employment but have no tax credit properties. This 2014 definition was kept for 2015 - 2019 for continuity.

[ix] Vivek Sah, Director, Lied Institute for Real Estate Studies, Lee Business School, University of Nevada Las Vegas. Personal communication. 3/6/2020.

[x] ALN Las Vegas Apartment Data for month of October 2013, November 2014, October 2015-2017, Nov. 2018 and Sept. 2019. ALN Apartment Data for month of October 2013 – 2016, 2018 for Reno from email communication with ALN staff and Oct. 2017 reports. Johnson, Perkins & Griffin 4th Quarter 2013-2019 reports.

[xi] Nevada Housing Division has information through its compliance activities on unit set- asides. For purposes of the survey calculations, respondent self reporting of set aside requirements was used.

[xii] Stagg, Thomas. 2009. "Understanding the New Income Limits." Novogradac Property Compliance Report. Vol. XII, Issue 5.

[xiii] U. S. Housing and Urban Development. Multifamily Tax Subsidy Projects Rent and Income Limits. https://www.huduser.gov/portal/datasets/mtsp.html.

[xiv] Ibid.

[xv] For a more definitive conclusion Utility Allowance data could be examined. Data was from Energy Information Administration. Average retail price of electricity: Nevada. Nevada Price of Natural Gas Delivered to Residential Consumers (Dollars per Thousand Cubic Feet) and Average Monthly Bill - Residential. https://www.eia.gov/naturalgas/ and https://www.eia.gov/electricity/ accessed 3-11-2020.

[xvi] Heating degree days and cooling degree days are from the calculator on the Energy Star website. Energy Star is a program run by the U.S. Environmental Protection Agency and Department of Energy to help save energy. https://portfoliomanager.energystar.gov/pm/degreeDaysCalculator

[xvii] In the subset of observations with full data on rents, 3,495 units had project based rental assistance (PBRA) or 17%. For the subset of observations with usable vacancy data there were 3,787 units, or 18% of the total that had PBRA. Using the full number of LIHTC properties in the NHD dataset, including those under construction, about 17% of active LIHTC units now have PBRA.

[xviii] All but five respondents answered this question. Omitting properties with project based rental assistance there were 164 observations.

[xix] There were 225 observations available for lost income.