DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

MINUTES of the PUBLIC MEETING of the

ADVISORY COMMITTEE ON HOUSING

Monday, July 26, 2021 @ 9:00AM

COMMITTEE MEMBERS PRESENT:
Amy Jones
Bill Brewer
Fred Harrah
Rae Lathrop
Audra Hamernik
Brook Page
Senator Julia Ratti
Fred Haron

COMMITTEE MEMBERS ABSENT:
Nancy Brown
Sharon Zadra

OTHERS PRESENT:
Hilary Lopez
Katie Ryan, Dignity Health
Budd Milazzo, Business & Industry
Kanani Espinoza, Rowe Law Group
Mae Worthey-Thomas, Nevada Housing Division
Christine Hess, NV Housing Coalition
Mendy Elliott
Jannelle Calderon
Valerie Balen
Karenza Strode, Nevada Housing Division
Russell Rowe, Rowe Law Group
Zoe Houghton
Stephen Aichroth, Nevada Housing Division
Mike Shohet
Robert Shaw, Nevada Housing Division
Aaina Sharma, Praxis Reno
Jessica Rasmussen
Mark Licea, Nevada Housing Division

AGENDA

1. **Call to Order and Roll Call**
   The meeting was called to order at 9:01 a.m.

2. **Public Comment**
   There was no public comment.

3. **Introduction of New Member**
   Fred Haron – Nevada Housing Authority, Chief Administrative Officer.

4. **Approval of the January 08, 2021, Meeting Minutes (For Possible Action)**
   No corrections or questions.

5. **Rental Assistance/Homeowner Assistance Update (For Discussion)**

Stephen Aichroth: Welcomes Fred. Because of legislative session, I think this is our first meeting since January. Initial funding for rental assistance did not come federally. I'm going to roll back to talk about rental assistance in its entirety, and the state of Nevada, along with Clark County, City of Reno, Las Vegas, and some other folks established rental assistance using CRF funds. So, coronavirus relief funds that were established back in March 2020, that funding was used prior to any specific federal rental assistance, which first came in and started the last week of December.

So, the first bucket (there are going to be three buckets that I talk about), using coronavirus relief funds, the state (with those entities that I just mention) got out $180 million in homeowner assistance, rental assistance, and utility assistance. The bulk of that came from Clark County. They provided about $97 million, and the state provided about $30 million. You take away some of the admin for doing that in, and that's when you come up, and it helped over about 25,000 households throughout the state. So, that was the primary source of funding very early on in the pandemic and through the end of the year.

After the Consolidated Appropriations Act passed in December, that started what we call ERA 1 assistance; one that's currently being used to support rental assistance as we speak. As of June 30th, $36 million has gone out in Nevada helping just shy of 6,000 households, most of that has been used on local jurisdiction (Clark County, City of Henderson, North Las Vegas, Las Vegas). State funding is used too, but I don't want to say back stock because that's the wrong word, but to assist in that. The key here is that we have a 65% spend through threshold by October and that's what we are collectively working to hit. And I would be remiss if I did not thank both Bill and Amy on the phone for their housing authorities and assistance. I don't see anybody from Clark County on the call. That does not mean that they're not there, but I would like to thank them too for getting all this money out. So, combined assistance from both CRF and ERA 1 is about 145 million.

We also have the third bucket, which is ERA 1 and ERA 2. The state just received authority through IFC to get that money out the door, but it's imperative to know that ERA 1 dollars have a 65% threshold in October 2021 that we must get in. They have an expiration in September 2022. ERA 2 funds can be used all the way until September 2025, so really the emphasis right now is getting that ERA 1 funding out the door. ERA 2 is just slightly broader, so we may see some of that funding being used. But right now, the focus is on that second bucket. So, if you want to go get all three buckets, we have exhausted the first bucket of CRF funds. We are working on the second bucket, and then we have the third bucket next. So, really if you look at what state in its entirety has received in emergency rental assistance it's about $380 million from the two ERA buckets, and then using the $120 million (roughly $500 million in total rental assistance that will be ultimately provided through 2025). Provided we can get all the funds out and don't get any other assistance.

So, that's it right now. I have a very high-level view I can tell you and I'll speak for Bill and Amy; this is not something that we have all necessarily put in our action plans and thought about two years ago, but it has been a substantial focus of all the work that we're doing. So, I will pause there before I go into the homeowner assistance and talk about that status and see what questions might be asked or concerns and things of that nature.

Senator Ratti: Are you able to comment? Or it might be more appropriate in the legislative update, but there was a lot of work done during the legislative session to tie the rental assistance to the eviction moratorium/mediation process. This is to make sure that as we are, I think what we are, five days away now from the eviction moratorium being lifted. This is to ensure that we have a good system in place to make sure that the rental assistance is being used in a way that is helping to avoid evictions, and that the applications are working in concert with the court system and the eviction process as that moving deadline.

Steve Aichroth: That the rental assistance is available and will be used in the court systems directly in Clark County, so folks that are filing for evictions in North Las Vegas, Henderson, in Las Vegas Justice Court, Legal Aid will be on site, guiding tenants to these rental eviction sources. Then that rental assistance, if they qualify, will be used to support mediation programs from a payout standpoint. So, if the landlord files for eviction, the tenant needs to respond to that part of this. Then, if not already in rolled in the rental assistance program, they will be at that point and that will be expedited to get that through the process. So, speaking in those terms, this source of funding, ERA 1 and ERA 2 will be used to support the assistance that ultimately qualifies the renter or will go to the landlord via the renter and pay 100%.

A question-and-answer period followed.

Stephen Aichroth: The state will be receiving $121 million in homeowner assistance funds. The first 10% has been provided to the state and was approved by IFC and the state will be working with the Nevada Affordable Housing Assistance Corporation (NAHAC) to administer those funds. The reason for that is NAHAC was working with our Hardest Hit Funds that came out of the great recession. Just now wrapping up that program as they have another new Treasury program. If they can get the ball rolling quickly in government speak, we don't have to set up programs, but we do have to set up new infrastructure because there's a separate bucket of money from the Hardest Hit Funds.

So, the 10% was an advance to say to do really three things: (1) that was to hire the staff necessary, (2) create the infrastructure, and (3) eventually get programs up and going before the balance of the 90% was provided to the state. That 90% will only be provided to the state once Treasury has accepted a plan and that gets submitted to Treasury. That was supposed to happen on June 30th; however, was then delayed until July 31. It was supposed to happen by the end of the month, but as of this morning, the portal that Treasury has said we are supposed to submit those plans under, are still not available to us. So, unless those get up to us in the next five days, I don't know how everybody's going to get the plans in.

I will tell you that the state of Nevada already has their plan. We have our plan completely ready to go to. It is just a matter of what the portal looks like to input it in the budget. The initial 10% is a little heavy on the administrative end because you must get these programs up and running. We do have to provide NAHAC money and talk a little quandary there because of the roll over of the State fiscal year. Funds were approved in 2020 and need to roll over to 2021. I have not had a chance to follow up to see if that happened. That was supposed to happen as of Friday. I have not received any indication that has happened. Once that happens, I will provide NAHAC the initial (or close to) 10% because we are going to keep a little bit of admin on our back end to get the program up and going. Ultimately, what this all means is if Treasury gets their portal up and rolling, we're realistically looking at sometime in September of having the application portal open for assistance.

A question-and-answer period followed the presentation, and discussion ensued.

6. **Legislative Review from the 81st Legislative Session (For Discussion)**

Stephen Aichroth - (Assembly Housing Bills): Again, I think just about everybody on this panel, and just looking at the audience names, are very much aware of what happened legislatively over the past six months. Senator Ratti, thank you. Thank the group at the legislature on both sides of the isle because a lot of stuff really got approved through bipartisanship. I think, without a doubt, at least in my 10 years and going back to I don't know how many years, more housing legislation has been proposed and passed than ever before.

I want to talk and touch on just a few of them. Some of them don't fall within the preview of a division, so I can't speak to them. Senator Ratti, this may be where you might have to jump in. To touch on them briefly, talking about AB22, this was the establishment of a transition assistance program for veterans, servicemen, and service women When a soldier/military person is discharged, they are put in front of a US veterans' liaison who talks about all the federal programs that are available upon their discharge. What that doesn't cover is what is available at the state level. So, that's what AB22 did. It was to establish state programs that are available to veterans. The Housing Division does do a homeowner assistance program for veterans. However, that's never explained to them. Well, this now formalizes that we do give the Department of Veteran Services that information and have voluntarily. This is in statute, and we will continue to work with them.

AB141 automatically seals an eviction record, if found to be related to the coronavirus pandemic. We will touch on evictions in a little bit. I think as previously indicated, the eviction process is very broad, and we're going to have that issue, though no fault of their own. If folks lost their jobs related to leisure and/or hospitality, those eviction records cannot be used against them in the future.

AB308 deals with modifications of security deposits and late fees, Senator Ratti. I know you already worked on that. I don't know if you want to comment on that or come back to it. I'll go with AB486, which is the eviction mediation bypath. So, I'll stop there. These are really the assembly bills, so this one needs some specific discussion. Very late in the session, a process was created to, as was previously indicated. It links up tenants in need of assistance, with that assistance, with the courts, with legal services, to provide an avenue where they're not just immediately getting evicted within five days. So, this extends that period.

This is my understanding again and I will touch on how the Division is involved in this. There are way smarter people at the Supreme Court, Home Means Nevada, and Legal Aid that are working on this program. Basically, if a landlord files for an eviction, and the tenant responds to it. They are then placed into an eviction mediation program, and then as I indicated previously, that provides the avenues for rental assistance. Then, they have about sixty days to kind of iron that out. If it doesn't get ironed out, or the tenant is not participatory, then there is a $5 million pot at the end of the sixty days that the landlords are eligible to receive a portion of, based on the arrears that the tenant left them with.

This is being administered through the courts, through Home is Nevada, which is a nonprofit organization by Business and Industry. They have done historically the foreclosure mediation program in the past, but now they're going to do a rental eviction mediation. The two ways the Division is effectively involved in this is (1) we are providing the administrative support through the previous rental assistance funds that I mentioned, because those are considered Housing Stability Services. So, were going to fund Home Means Nevada, and they pay the mediators to make sure the administration of the program continues. (2) That $5 million pot at the end, that will be coming through either CRF funds. Those CRF funds expire December 30th of this year or potentially American Rescue Plan Funds.

We are currently working with the Governor's Finance Office to make sure that we have that in place, so at the end of the 60-day bleed off, that money will be available. I will let you know this is not something that the eviction mediation, the number of evictions is really occurring in Clark County. We are not seeing it nearly to the extent in Washoe or in the rural areas. To emphasize, that the last numbers I heard from Home Means Nevada are 200 applications from Clark County, 2 in Washoe, and 0 in the rural counties. So, specifically we will be working through Clark County and those justice courts that I mentioned earlier to get through this.

A question-and-answer period followed the presentation, and discussion ensued.

Stephen Aichroth - (Senate Bills): SB12, which was the bill that came out of this committee that effectively requires the notices before termination or the expiration of termination or expiration of affordable restrictions. Basically, we need to get a years' worth of notice before the QC process can happen. I will make a note that we will, at some point, get the regulations through the penalty phase of it. This is something we will tackle in the fall or winter.

To the point that Senator Ratti made, this may be a future meeting agenda idea. This was the very first bill draft for the Advisory Committee. The other bill I want to touch on and receive some input on, is SB284, a modification of the States Tax Credits. We did very well here also. We basically did three things, (1) allowed for corporations to have subsidiaries, (2) moved issuance of Tax Credit closing, and (3) eliminated the sunset date of 2023. We have all been through COVID and know the demands of these tax credits have not been significant for the past year and half; although, it may be ramping up as we anticipate the gaming institutions being the main purchaser of the credits.

What I really wanted to discuss was sort of the math, and when this was initial proposed. We looked at it as a substitute for the GAP funding on the 4% program. We do not have that demand like we did two years ago on the GAP program because of the consolidation appropriation acts. There was a little piece of that legislation fixed, what we call the 4% floor. Because the previous 4% floor was floating, and it was about 3.1%. Now it is filling that GAP. A lot of folks are very familiar with the presentation. We got 90% of the way there but had an extra 10%. So, that's what GAP did, and we only had enough money to do projects, now that GAP is either eliminated because of that 4% floor, or it is very little for most projects. I think it is a worth while discussion of how we use these State tax credits because it is not necessarily applicable, but also something that can be used for ARP funding. I think State tax credits are still viable and can be used in a multitude of different ways. We don't have in statute that allows us to put this in our QAP exactly how we want those state tax credits to look.

Pause for discussion or clarity if you need to know a little more.

A question-and-answer period followed the presentation, and discussion ensued.

7. 2021 QAP Review of Tax Credit Issuance (For Discussion)

Stephen Aichroth: Robert Shaw pulled up the Final 2021 IRS B610. This is a spreadsheet of our 2021 9% Tax Credit Allocating authority. Apart from one project, all the 2021 reservations went to new construction.

Mark Licea: Quick synopses of how you determine what your credit authority is on an annual basis. You get a factor from the federal government, and you also get an IRS population figure for every State. So, to get a base amount, you multiply the factor by the population. In an allocating year, there are credits that are returned. Numbers change so you must make those adjustments in the yearly allocation. So, we ended up with an allocation of just a little over $10.8 million. As you can see in the breakdown, we basically used all of it and through some manipulation. We did forward commitment meetings that will utilize some credits that are allocated for next year to this year to get projects going because we think it's important that if it's a viable project, we can fund it now and get it going.

One of them is an Indian housing project. I don't know if you know this, but I believe two years ago the Division did its first Indian housing project. The first one ever. This year they requested more credits to do an additional on the same reservation. That one is NV622 for $730,000, that's going to be a rent-to-own project for Indian family housing. So altogether, we allocated $10,800,000 for this year, and then we allocated an additional $900,000 or so out of 2022. Now, if you see the $1.25 million under the 2022 for an allocation, that's a little misleading. That was allocated to eastern land. There were some issues regarding the closing that had to be delayed, for them to not lose the credits. What we did is we took them back and are going to re-allocate them in 2022. That way the project is viable, and they were awarded additional credits in this year. We're going to use that as initial credit allocation, and they'll have access to the $1.25 million next year. So, it's basically taking it back and putting it back in, so there's no net loss. Are there any questions? I know that it is a little complicated explaining this.

Brook: I was curious if it's possible to know what type of special population are being used for this project?

Mark: Special needs is a category in our QAP. Let me see specifically. I know for a fact that Truckee Heights out of Reno, that organization always does special-needs projects. That's the nonprofit that Matt Fleming up in Reno runs. Vegas Valley, the one on the top, that's from the accessible housing out of Minneapolis and St. Paul. They always do special needs housing. I believe that is either for frail elderly or for veterans. That is pretty much it for this year. To do special needs projects, you need to have experience implementing those kinds of programs because getting the housing up is the easy part. We want to make sure that the services are in perpetuity. They can continue to operate the services. We want to make sure it's a very experienced entity implementing that kind of project.

8. **Potential Changes to 2022 QAP (For Discussion and Possible Action)**

Mark Licea: As you can see, we're starting out with increasing per-unit cost by about 5%. Cost is escalating almost out of control, and we must do everything that we can to keep them as steady as possible. Obviously, because of the increases, we are proposing a 5% increase on the cost per unit. We're also going to address the use of leased land in QAP, specifically for Indian housing projects. With the 4% program, this gets a little complicated, so if you have any questions feel free to ask. The 4% program of those programs relating to the use of bonds. There's a program called a qualified contract program, which basically allows owners of properties to opt out after year 15. It's somewhat of a complicated process, but to do that, they must apply for approval, and then they must implement an IRS formula that determines what the selling price of the property is.

It kind of goes against the whole pre-market process because it has nothing to do with the appraised value of a property. It has to do with what the determination of the price is, through an IRS formula. What we are finding is QC properties, the IRS formula results in a higher acquisition cost. For these projects to move on, they must be re-syndicated and using an inflated number for the underwriting of the project. I think it is a terrible president to set. So, I am proposing in the QAP, that if the appraised value of the properties is lower, we will utilize that for the underwriting of the project. I think it's a terrible president if the qualify contract price is $2 million over market value that we use that to determine the underwriting.

The other issues are acquisition rehab projects in the 4 % side. What we are noticing in an acquisition rehab project, you do not only have the cost of the land that you have to require, but you have the cost of the improvements which are the buildings. So, for example, in a new construction project, say for example land is $2.5 million. In an acquisition rehab project, land is $2.5 million. The building is $30 million. So right there, are you starting out in a hole. And what we're seeing our acquisition rehab project in the State are starting to cost more per unit in the new construction projects. So, we must implement strategy to keep these prices down and to create just a more level use of tax credit. Because what's happening is because of the cost of acquisition is so high, developers are maximizing their developer fees simply because of the cost of the acquisition.

I'm proposing to make these changes, which will drive down cost. I can go through each one, but it gets really complicated, so this is just basically gives you a very quick scenario of what the proposed changes are going to be. The first addresses the rising cost of the project, due to the escalating value of the improvements, which is land and buildings. Acquisition rehab projects are beginning to cost more per unit for the newly constructed housing. Adjust developer fees by utilizing the eligible bases to calculate and adjusting for the cost of acquisition. Right now, developer fees are based on the total development cost. Tier the amount of rehab per unit by age of the project. Some projects that aren't even twenty years old are putting in $40,000 per unit in a rehab expense, which we think are too high. It drives up the total cost of the project.

The last one is hold developers to the amount of 4% credits stated in the 42M letter. The 42M letter is basically a letter to see if our organization issues, which tells the developer that his project is eligible for tax exempt bonds and gives an estimated amount of credits eligible for the project. In the past, the project continues to give them the amount credits needed. That's not even cost-effective anymore. So, we want to hold developers on these 4% deals to the number of credits stated on the 42M letter. That will make them more cognizant of being more efficient. The last one this is a compliance issue, I have your compliance officer a little more on this, but historically the tax credit program has always been on up to 60% median income. A couple of years ago they proposed income averaging which meant that you could go to 80%, if the range in the rents in the rest of the project averaged about to 60. We're finding overall that it's not a very popular concept. Investors don't like it. It hasn't taken off and we only have one project in Nevada that has it and it's only to target two units. So, at this point I don't know if it's an issue, but the compliance officer asked to please put it in the QAP for this year. This will be up for discussion when we have our QAP hearing.

Stephen Aichroth: We already have an internal draft QAP that is being bandied about, and timing we anticipate holding workshops and having an adoption hearing by October. It'll be a little bit quicker than it has been in years previous. This was just going to let advisory committee know what we're thinking and having our internal discussions about it. Obviously, these concepts will be workshopped with developers. We just wanted to make the advisory committee aware. I think this is one of things that is specified in the legislation that created this committee and so were kind of checking that box.

Senator Ratti: I just want to acknowledge the history of the conversation on the advisory committee is that primarily the timing, having questions with it. We struggled a little bit to figure out what the appropriate timing and role is for the advisory committee, in terms of providing any meaningful guide in the QAP process. I think we have landed primarily informational updates, but I will note that this is for discussion and possible action. Based on the information that is provided, I think the board could give direction or endorse it, or just wait for the public process to play out, and then, because of the timings of our meeting then, we will probably hear how it all went after the processes completed. I guess I'll open it up to the board, is there any strong opinions or feelings about any of the information that was presented that the Housing Division would be helpful before they go into the fall QAP public process based on the concepts you just heard?

Brook: I am glad to hear the ideas that are being brought forward and as a member that is holding the feet for the support of housing population, I just want to go on record saying that I believe that we need a stronger emphasis in that population in the QAP. I would like to work with the Division to figure out what that kind of strategy should be done to ensure that we are focusing on a population that isn't necessarily called out in that special needs category. Helping to inform these recommendations that are being brought forward, they go to workshops or if during that public forum, is the best way to make a recommendation. I would like to make some suggestions about how we can prioritize supportive housing more deeply in the QAP.

Senator Ratti: Thank you, Brooke. You've been very consistent in your advocacy for those populations. Other comments on this? I will just say, that from the data presented, that we continue to know that we fall short across-the-board, but we always fall short on the extremely low income and the number of units that are getting to the extremely low income. Which I think, of course, is an overlay to supportive housing. We know some folks who have extremely low income, have extremely low income because they have additional factors in their life. So, always interested in how we can squeeze a few more of the units on the lower end of the AMI spectrum out of the process.

Mark Licea: Let me just comment on that because there is a big difference in the 4% and the 9% tax credit program. If it's a supportive housing project, it almost exclusively will have to come on the 9%. Because the 9% program can accommodate lower income people and investors on the 4% do not like supportive housing projects. The problem on the 9% is we have a finite number of credits on an annual basis. We don't have unlimited 4% credits like we do on the tax-exempt bond side. So, supportive housing projects must go on the 9% program and that criterion must be pretty much detailed in the QAP. Right now, as I mentioned to do a supportive housing project you have to have experience in the supportive services that you are providing. That's probably more important than doing the housing. We have a form of formula in there that seems to be working out well.

Senator Ratti: The list that you just presented in agenda item #7 was exclusively 4% or did that include 9%? It was exclusively 9%. So, is it was exclusively 9%, but only two of the projects were supportive housing? Yes. So, if the 9% is the only funding source we have and it is finite and it is the only effective tool for supportive housing, and only two came out that were described as special needs or supportive housing, I think it raises a question. I completely understand that we don't want people who have no experience doing the wrap around services that are necessary in a supportive housing project to be doing those projects. So, my question is what is the gap that we are not getting more experienced supportive housing folks to apply.

Mark Licea: You can partner with a developer to provide the services. So, if you get a developer and a provider, that is acceptable.

Audra: We can find support services providers; we do not have long term sustainable rental assistance for the 0- 30% folks. The small contracts are not sustainable. We need sustainable 10-year contacts that are under writable by our lenders.

Mark Licea: Average income is about 45%. The issue is we can not meet their needs. The waiting list for the Housing Authority is 6,000 people. To really target those 30%, we need to have rental assistance for every unit.

A question-and-answer period followed the presentation, and discussion ensued.

9. Potential American Rescue Plan Funding for Housing (For Discussion and Possible Action)

Christine Hess- (Presented a slide show): The American rescue plan funding is certainly an opportunity for affordable housing, and I'd like to give you an overview of the progress that the coalition has been leading in cooperation with the task force. We really kicked things off in May. I will say when Every Nevadan recovery framework was released in April, I was heavy into some bills. About mid-April, I looked at it, and I said, "Oh my gosh, the state is asking us how they could spend their ARP fiscal recovery funds." Certainly, I'm listening to conversations around the country. It was clear that states around the country are looking at affordable housing as a potential use of their funds, and it is an eligible use per Treasury as well.

On May 6th, we hosted the webinar in which the Treasurer gives us an overview of every Nevada recovery framework and if the committee members haven't already been, if you click on the link in that PowerPoint, there is a Google form. You can put your input there to say how you think the fiscal recovery funds can be sent. In our case, can be spent for affordable housing. We also worked with Nevada grant lab a listen to great presentation by corporation for supportive housing regarding how potential opportunities around the American rescue plan funds.

That said, of course this was just a kickoff of a conversation, and we essentially identified an opportunity for the cow coalition to bring together stakeholders. May 6th really launched a collaborative initiative that's been busy, and we've done a lot of work since then. We are continuing to host a task force. We have over 70 stakeholders (Nevada housing coalition members and nonmembers) to really create a diverse group. It includes the private sector developers, including market developers, local government, electives and staff, private finance, economic development, healthcare, nonprofit, advocates, community service providers. Just getting a broad base to have feedback around these American rescue plan funds.

One of the things that we're asking ourselves on how affordable housing priorities align with every Nevadan recovery framework. So, these are the priorities outlined and statue and we're taking an early temperature on how we think affordable housing priorities align and will do that again as we finalize our recommendation to the states. So, developing a funding recommendation is big. I guess I would tell this committee around the country I'm seeing states allocate from $100 million up to $600 million. One of the questions we've asked ourselves as a coalition, is what we should recommend to the state of Nevada. Wouldn't it be great to just to say, "Hey why don't you take 10% of your $2.7 billion, or why don't you take 20%?" But we've chosen a slightly more difficult path in terms of length. I think ultimately it will bring us to a better answer by engaging this diverse group of stakeholders and listening.

We've been going through a process to really say how much should Nevada leadership consider allocating for affordable housing. Should we prioritize things like permanent supportive housing or less than 30% area median income housing, you know, different income levels? What would the impact be if our state does commit $200 million, $300 million, $600 million of its physical recovery funds? Can we deploy that money? We certainly don't want to ask the state for money we don't think we can get out the door. Of course, we have a longer runway than some of the initial cares act funding and with the ARPA funds. We're looking at a timeline of the end of 2026 to finally spend it down and allocate it by the end of 2024. So, there is a little more runway than we've had in the past. Additionally, we want to make sure that we don't neglect all the work that's been done today in Nevada.

You know we've taken a quick look back. I just threw 2015 at the studies in the planning already done in the state. We know that there are projects that are shovel ready. But for the funding, we want to make sure as we consider funding, that these projects have an opportunity to come forward and access additional funds, if they're eligible. So additionally, we talked a little about the capacity. Do we have the capacity in Nevada to execute on any allocated funding? And so those are all the things that I've been staying on top of mind, as this task force has really thought about it. Additionally, what the task force has been thinking about with this funding, is what can have long-term impact? This is a once in a lifetime funding. How can we utilize some of our states fiscal recovery funds to really impact Nevadans as it was intended to do particularly for every Nevadan recovery framework and for the populations that have been most impacted?

I just wanted to very quickly just go through and kind of show you the working process we've gone through so far with the stakeholders we've held. At three meetings we've had, breakouts great attendance. I have two team leads on the advisory committee. Bill Brewer with the Nevada Real Housing Authority is one of our team leads and Brooke Page with corporation for supportive housing. We have 14 leads overall. But essentially, we started in May, collecting information for stakeholders how do you think Nevada should prioritize ARP funds within affordable housing. More affordable housing came forward of course. Permanent supportive housing, homeownership, homelessness, so we collected that information and based on that we divided the task force into four working teams to go into more depth. In our teams, are affordable housing, development- multifamily, rentals, permanent supportive housing, preservation, and affordable home ownership. So, the task force has brainstormed a bunch of ideas additionally. I collected them from that webinar. Twenty-two ideas came forward and kind of categorize them in those four buckets they're color-coded here, and we raided them internally as a task force.

Hey how important do you think this priority is? And so, we move through that process again at a task force meeting and I utilize both in person meetings. I collect feedback via email and then I also use polling to help gather all the input because the task force is quite large. So, that's one example of where we're going now. We also want to say all these examples as we develop a final recommendation will be included in our final recommendation. We're not going to self-censor any of these great ideas on how our stakeholders think that the state can use its funds for affordable housing. That said, we have been able to narrow it down to four buckets of funding that can include all these initiatives depending on how the eligibility comes out on these initiatives in the end.

So, one of the things I've been pressing people since we started was how much? Does anyone know? And what's cool is nobody would say how much. Everybody wanted to know a little bit more about our gaps, wanted to have some more discussions around what we currently do, and how much does it cost to develop affordable housing. So, on July 15 it was great we put forward a bunch of questions to enterprise community partners and I would like to give a shout out to Schwab Bank who have been providing generously through grant technical assistance of enterprise for the coalition, and of course as a national organization for affordable housing, it's been awesome to have their expertise as well as being a third-party, which is always helpful to help with conversation.

Both enterprise and corporation for supportive housing gave us analysis on our gaps. Our gaps in the different income levels, and then additionally from a permanent supportive housing perspective. They also talked about how much it cost. I appreciate the earlier conversations of the task force because it was a point of conversation that permanent supportive housing has a high cost to sustain it in operation in services support. It's not just the actual structure so that's been something that the task force heard that was on July 15.

Additionally, a big shout out to the Nevada Housing Division. They are members of the task force in advisory capacity of course. We would anticipate that much of the funding that the collation recommends, might flow through the Division. Of course, that will be up to leadership and IFC. However, typically that is where are affordable housing happens. So, it was important have them at the table, but also the manager existing programs. They provided some data around homeownership programs, for example, and in other areas for us to understand best are gaps in statistics. So, based on this information, we're currently at a place where we are understanding how much we should recommend.

The task force right now is looking at a spreadsheet, and I believe I gave a copy to everybody. Right now, the task force is evaluating a spreadsheet that I handed out to the task force, and said, "Hey, here's some ideas of how it can be spent." I just want to emphasize either big number here, or if you add up my right-hand side column this current recommendation would suggest about $550 million, that the state may want to consider from its fiscal recovery funds for affordable housing. It's an example to get things started. In fact, in this spreadsheet, right here, the task force can manipulate it themselves. They can put in a different number of units, or they could adjust the leverage.

So, that was another conversation of this group, is how do we leverage these American rescue plan funds? In the spreadsheet, you'll see I have a new set of alphabets for us to consider STC state tax credit, but not sure what their official acronym is. You know, are we leveraging the state tax credit because that's a new leverage that hasn't been utilized? The division as we've heard, we've seen that a lot of our other levers are fully subscribed. How the ARPA funds come to the table and work over the next four to five years is also something for consideration. I put together this working spreadsheet for the task force to consider, and we're meeting again this Thursday to really say additionally should half of the money we recommend before development? Should there be a set aside? I know that was a conversation we heard here earlier this morning. A set aside for permanent supportive housing or for income levels below 30%.

10. Nevada Housing Coalition Report (For Discussion)

Christine Hess: The recommendation for the American rescue plan funds have been front and center at the Nevada Coalition. We have been hard at work on our legislative update. If I can just add onto the Division, we would like to thank the housing advisory for sponsoring SB12. Awesome! I totally agree, batting a thousand. I am all for that, and we're just going to work hard to keep that up for the next session. As we did last session, advisory committee, you can anticipate that will bring forward. I hope others do too but will be bringing forward some suggestions of Bill draft recommendations for the 23rd session. I just wanted to let you know that we had five bills in the session, and SB12 and SB284 were our top priorities.

The other three priorities were great bills. AB 334 and AB 331 were tough bills. It was my introduction to the legislative session, and a great way to expand my housing stakeholder relationships. I have many engaged in the task force, so it's fantastic. This enabling legislation for linkage fees and inclusionary zoning fees, we weren't quite ready for. With that being said, I have already talked with partners and anticipate working with a policy committee that will be looking at tools in general. Really appreciate the progress of the annual housing progress report, and how that is. I think taking a hard look at all our current tools and their utilization will be something that comes forward in the interim work, but all those things I have not yet been finalized, will be finalizing our interim work with a policy committee here going forward.

Additionally, AB317 was a source of income protection bill and it really mirrored in Clark County's emergency ordinance, which has been in place since the end of August. Haven't heard a lot of negative feedback, that said, so, great. I know, Fred, we've been in a couple conversations now. I know you've been engaging in some other areas but having our housing authorities engaged through the interim. I have pledged with the apartment association that will be working at no statutory ways to just help ease the process on source of income protection, especially as it pertains to rental assistance or vouchers. So, just helping make that process work.

I did want to let the committee know will be hosting a conference. It's currently scheduled for October 27th and 28th in Las Vegas in-person with a hybrid option. We are also monitoring the public health conversations in southern Nevada right now. I will say we met on Friday, and we're all watching. Of course, we want to be responsible to our public health to the fact that we are still in a pandemic, and what that might mean for an in-person meeting. Currently we are planning an in-person and virtual option hybrid, and that's October 27th and 28th. Additionally, will be having an annual member meeting that is the time that we have our annual member meeting.

I also just wanted to let this group know that we are engaging more at the federal level. The housing coalition has been engaging at the federal level, but we are officially a partner with the National Law Income Housing Coalition and their house campaign. Right now, for example, is very much engaging around it was initially looking like housing is infrastructure, and an infrastructure package that included significant housing provisions. Right now, it looks like the bipartisan infrastructure bill, which we love a bipartisan effort, we think that's awesome. It does not include housing provisions. That said, the housing conversations are continuing with the budget reconciliation conversations that are happening at the federal level. We are watching there, of course, with that our rental assistance expansion, as well as the public housing investments and the national housing trust funds. So, those are things that we're looking forward to in supporting and letting our delegates know that those would also impact Nevada and make a difference. We have recognized that our list all our resources come from the federal government for affordable housing, so just want to make sure that we engage and we're hiring.

11. Staff Updates (For Discussion)

Stephen Aichroth: Want to acknowledge we have a new Deputy Administrator, Dr. Mae Worthey-Thomas, who oversees our programs and is based in Las Vegas. We have had major changeovers in our staff. We're getting our vacant positions filled, and we are all back in the office.

Bill Brewer: Steve or Michael, are you watching for the Private Activity Bond rolling to Housing?

Stephen Aichroth: At this point, Private Activity Bond meets before the end of the year, but all indications are that the bulk of that funding will be provided to housing.

12. Committee Member Comments

No comments

13. Agenda Items for Next Meeting (For Discussion)

Stephen Aichroth: Depends on how fast things move with ARP funds. Still have rental assistance and homeowner assistance updates. ARP funding that we would want to have. Discuss other uses for State Tax Credits. Those would be from the Division's perspective and standing 2022 QAP.

Senator Ratti dismisses herself and turns it over to Bill.

14. Public Comment

No public comment

15. Adjournment

Bill Brewer adjourns meeting at 11:06