



BRIAN SANDOVAL  
*Governor*

## STATE OF NEVADA

### DEPARTMENT OF BUSINESS & INDUSTRY HOUSING DIVISION

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BRUCE BRESLOW  
*Director*

CJ MANTHE  
*Administrator*

### **Nevada's Workshop For Low-Income Housing Tax Credits Thursday, July 27, 2017, 08:30am to 10:30am**

#### **The following were in attendance:**

##### *Carson City, NHD location:*

CJ Manthe, Administrator NHD  
Raina Sharma, Praxis Consulting  
Bill Brewer, NRHA  
Betsy Fadali, NHD  
Jeff Glass, USDA RD  
Randy Pease, Cushman & Wakefield  
Tiffany Hornsby, NRHA  
Matt Fleming, NNCH  
Beth Dunning, NRHA  
Lisa Dayton, Dayton & Assoc

##### *Teleconference:*

Stewart Boyd, Carefree Living  
Kara Blake, USDA RD  
Jim Vincent, VCMG Construction  
Jessica Baily, Praxis Consulting

##### *Las Vegas, NHD location:*

Tim Whitright, Deputy Administrator NHD  
Jacob LaRow, Clark County  
Scott Hamlin, Nevada Housing Division  
Sharon Bullock, CDPCN  
Leonard Dixon, City of Las Vegas  
Dan Billmark, ASI  
Marina Adamy, GGI  
Amparo Gamazo, SNRHA  
Michael J. Pawlak, Clark County  
Eric Novak, Praxis Consulting  
Alison Burk, Fore Property  
Andy Crawford, ComCap Advisors  
Daigo Ishikawa, NV Hand  
Pete Tran, Fore Property  
Hilary Lopez, Praxis Consulting

**1. Call to order Roll Call, Introductions, Announcements**

Scott Hamlin, Federal and State Programs Manager Nevada Housing Division, called the meeting to order and introductions were conducted from all the meeting sites (Las Vegas, Carson City, Telephone, and Elko)

**2. Agenda Item #2 – Call for Public comments:**

*No comments*

**3. Agenda item #3 – Tax Credit Discussion Points**

For a complete re-cap of the discussion please refer to the audio recording of this hearing posted on the Nevada Housing Division website <http://housing.nv.gov>. The comments listed are highlights presented from the meeting.

**a) Feedback from 2017 Tax Credit Applications received by the Division**

- Currently working through the appeal process with one of the projects, we expect to conclude our review and publish scores by the end of August.
- Overall we received very good applications which were well organized and complete.
- Some areas in the QAP were identified for improvement in clarification to help with future application submissions.
- Scoring was very strict and measured against the requirements in the QAP and the same standards were applied to all projects.
- Once scores are finalized and the results official we will post detailed scoring and details on the projects to help developers understand where they can improve in the competition.
- Currently we are reviewing the electronic application for improvements and for ease of submission. Also looking at folding the Tax Exempt Bond Application into the 9% application so one document can satisfy either need.
- Looking at standardizing our HOME application so that information from the 9% application feeds into that document as well. Open to feedback and testing of prototypes with the developers to help improve the process. Praxis Consulting volunteered to help by testing and providing feedback.

**b) Encouraging New Construction Projects**

- The Division would like to see more new construction projects in future and will be adjusting points in the QAP to reward projects in that category.
- The Division asked for future input from the developers on their barriers for new construction and what the Division can do to help.
- The Division has noted that there are fewer family developments entering the LIHTC application process, so we need input on whether there is anything in our scoring system that is impacting submission of family projects. The Division recognizes that there is a high demand for both Family and Senior housing.
- The Division is strongly considering reducing the maximum size allowed for 1 and 2 bedroom units (refer to HUD requirements) to reduce costs and increase the amount of units per project.
- Developers: Would like to see the cap per project raised to \$1.2M or higher.
- Developers: Washoe housing crisis has construction prices and labor costs rising dramatically and current market conditions make it extremely hard to find affordable land to construct on. Acquisition/Rehab projects might be their only alternative.
- Division: Acquisition/Rehab of projects outside our current program would help our overall inventory and are highly encouraged.

- Clark Co: Encourage new construction, having a hard time finding units for existing customers, need better tools for our developers for Acq/Rehab projects.
- Praxis: We should have a preservation set-aside in our QAP and look to the Bond program to provide incentives for Acq/Rehab projects.
- SNRHA: Still dealing with existing homeowner issues concerning the proposed projects which has local communities opposing and preventing in some cases new construction projects for affordable housing due to stereotypes.

**c) *Multi-Phase Projects***

- The Division suggested having a set-aside where one project could compete and be awarded multiple year funding of tax credits. This is so a Developer could turn a long term multi-phase project into one large project which in theory would save money over the course of construction and bring the units to market quicker.
- Discussion revolved around the actual costs savings and the impact of the idea and if there is a benefit and how this would affect the other developers.
- SNRHA: Optimal size for family unit projects is 60-100 units so not sure if this set-aside would aid in these type of developments since the intent is to build a project that is around 180 units.
- Developers: Have to keep in mind the larger your project the more support staff -you will need as you go from part time maintenance to multiple full time maintenance staff on hand.

**d) *Acquisition/Rehabilitation Projects***

- Division proposed a tier funding approach to Acq/Rehab projects based on construction costs per unit required per the Capital Needs Assessment. 10-30k per unit repairs currently in the LIHTC program could apply for a low interest loan for repairs. Projects over 30k per unit would go through the 4% Tax Exempt Bond process and if that avenue was not possible then could go through the 9% tax credit application process.
- Developers: Incentivize the Tax Exempt Bond program so Qualified Contract properties do not leave the program.
- NV Rural: Supports the rural set-aside and the access to credits it affords to rural projects, does not want anything to jeopardize those credits since otherwise rural projects would probably not be able to compete effectively against the larger developer projects.
- NHD CFO: Scattered site bond projects are also a viable tool to use as long as the same ownership is involved in all the property locations.
- This would entail a formal waiving of the Qualified Contract (QC) process.

**e) *National Housing Trust Fund***

- Appendix A from the 2017 QAP will not be in the 2018 edition as a set-aside using the National Housing Trust Funds.
- The Division has not decided on what projects they will use the funds but they will be used for construction hard costs only.
- The Division is developing rehab standards for inclusion into the National Housing Trust Fund plan so they can be reviewed and approved by HUD so the Division can have the flexibility to use the funds for rehabilitation projects.

**4. *Agenda item #4 – Public Comment and Discussion***

No comments

**5. Agenda item #5 – Adjournment**

*Meeting recessed at 10:00am and adjourned at 10:30am*