



DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

MINUTES of the PUBLIC MEETING of the
ADVISORY COMMITTEE ON HOUSING

Wednesday, August 26, 2020 @ 9:00AM

Online Meeting: Join from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/406746845>

The following were in attendance:

Julia Ratti, Nevada State Senate
Amy Jones, Reno Housing Authority
Audra Hamernik, Nevada HAND
Brooke Page, CSH
Bill Brewer, Nevada Rural
Nancy Brown, Charles Schwab
Rae Lathrop, RTC
Sharon Zadra, TMCC
Ariel Estrada-Parra, Praxis
Christine Hess, NV Housing Coalition
Elizabeth Fadali, Nevada Housing
Eric Novak, Praxis
Greta Seidman, XpressWest Trains
Hilary Lopez, Praxis

Jacob LaRow, Nevada Housing Division
Jessica Rasmussen, Praxis
Kanani Espinoza, Rowe Law Group
Kathrina Kobayashi, Penta Building
Katie Coleman, Nevada Rural Housing
Lorri Murphy, CLSN
Michael Holliday, Nevada Housing
Michelle Rindels, Nevada Independent
Morgan Shah, Nevada Legal Services
Pat Petrie, City of Las Vegas
Robert Shaw, Nevada Housing
Russell Rowe, Rowe Law Group
Stephen Aichroth, Nevada Housing
Terry Reynolds, Business & Industry

AGENDA

1. Call to Order and Roll Call

The meeting was called to order at 9:03 a.m.

2. Public Comment

There was no public comment.

3. Approval of the July 27, 2020 meeting minutes (For Possible Action)

Audra Hamernik made a motion to approve the minutes. Nancy Brown seconded the motion. All members voted in favor. The motion passed unanimously.

4. COVID-19 Updates/Responses (For Discussion)

Amy Jones stated that to date they have received just over 1,600 applications. They have identified some challenges as they are processing those applications and they had a conversation yesterday with the Housing Division. They will continue on their process. The biggest challenge that they are coming across is that individuals that are applying for the program were actually making more money. They had a COVID related loss and started receiving benefits receiving approximately \$4,000.00 per month so they were making more money during that period. Unfortunately, they are seeing that they were not paying their rent either. As they are processing the applications, they are finding them not to be eligible. They hired six temporary staff to help process all of the paperwork since putting the program together. They are seeing now that the \$600.00 has stopped through unemployment and seeing more families to be eligible. At this point, they have only expended about \$22,000.00, but they are seeing more families eligible because they have lost that unemployment. They are working with the families to get any and all information they can from them to ensure that they can find them eligible.

Steve Aichroth stated that in Clark County as of this last weekend, 732 households received \$1,700,000 of funding resulting in an average assistance of about \$2,300.00 per household. There are currently over 5,300 households in the application queue. Using the average assistance of \$2,300.00 that should account for an additional slightly over \$12,000,000 combined with what has already been issued the total funding obligated if everyone passes muster goes to \$14,000,000. The largest issue that they have in Clark County revolves around inquiries which are over 33,000 and they do not know what those inquiries represent. Folks are only supposed to apply at one agency, Clark County is using 14 different agencies. If a person is desperate and wants to prevent themselves from getting evicted the person would likely try and stand in as many lines as possible and not just one. So, they do not know really what that 33,000 number means. However, working backwards if you take the remaining \$36,000,000 in funding that they have at \$2,300 per household that only accommodates slightly over 15,000 households. So, Clark County put a pause on the program to try to work through this backlog prior to the eviction moratorium currently set to expire on September 1 and see where they are at and make sure that these people who are already in line receive the funding. Clark County should be able to get through some of this and then the program could be reopened as funding is identified as being available.

Bill Brewer stated that as of Friday they have received approximately 1,228 applications to date. They are running about 6 to 1 in comparison to Clark County, they are getting about six applications to their one. So, their numbers are trending fairly close to that. About 718 of those applications have been accepted. In other words, the other applications were incomplete or did not meet the requirements for the program. Since the launch they have approved funding of \$227,000 so far and they expect that to ramp up in the coming weeks as they get quite a few more applications pushed through. Most of their applicants come from Carson City in terms of percentage. They are also getting quite a few applicants from Elko, Lyon County and Nye County. They are making efforts through social media to reach out to other counties that have been less participatory so that they can be sure that they are getting the money to the people who need it.

Steve Aichroth stated that he has been in contact with the National Low Income Housing Coalition and they are doing a survey of state rental assistance programs and asked them to participate. They will have a separate survey for implementation.

Julia Ratti asked Amy about the folks who were not paying rent but were on the higher level of unemployment as there was a significant backlog within the unemployment agency. She stated she is curious if there is a catch-22 for folks who have been awarded their unemployment, but they have not actually received the funding on their debit card.

Amy Jones stated that they are automatically verifying those unemployment benefits with everyone that is applying. They are seeing those individuals who are caught in that gap where they were not getting the benefit so those would absolutely be eligible for this funding because there was that time period or maybe still that they have not received their unemployment benefit. They are seeing that verification when they send that to unemployment.

Julia Ratti asked if there is probably a group of people who received the benefit and chose not to pay rent and they should not receive rental assistance. Is there is another group of people who will get rental assistance but then later will actually get their unemployment benefit. One of the things they were concerned about when setting up this program was this cliff that people would fall off. So even if they don't qualify but they do qualify come August are they staying in line so that once that August or September rent is due they are still going to be eligible or do they go to the back of the line if they don't qualify because they got unemployment benefits.

Amy Jones state that they are doing the verifications on a three month basis, but if they are coming to them now and they see that they were not receiving those benefits then they are going to be eligible for that period and then they would have to recertify them. They are taking everyone on a first come first serve basis and processing those applications as they receive them and their eligibility. So, they will get that benefit if they see that they are eligible at this time.

Julia Ratti asked if it is a three month period, and if you are approving someone now and they were not eligible in August and they become eligible on September 1 would they be approved for September, October, and November. Amy Jones confirmed.

Julia Ratti asked Amy Jones for clarification regarding her statement pertaining to a problem that they have been running up against. Is it that the majority of people are not paying their rent but are getting unemployment benefits. Amy Jones stated that it is two-fold as far as their biggest challenge. It is either that they started getting unemployment benefits, so they are not eligible based on their income and/or they were getting the unemployment benefits and were not paying their rent. Julia Ratti asked if they are requiring social security cards for individuals as part of the verification process and if that is necessary. Amy Jones stated that they require this with their standard programs to verify identity. So, they are requiring the driver's license and social security card as part of the verification of their identity based on what they would normally do with their standard programs. Julia Ratti asked if with the COVID-19 rental assistance program is there any requirement that a person have any type of citizenship or immigration status. Bill Brewer responded that at least one eligible person in the household is a requirement. Julia Ratti asked if eligible requires anything to do with immigration status. Amy Jones responded that at least one person in the household has to be an eligible citizen. Julia Ratti asked if there is not a CARES Act restriction on the funds are they limiting a portion of their immigrant population from receiving these rental funds when there is no requirement to do so. Jake LaRow stated that the format of the program they largely borrowed with some slight modifications from Clark County. So, in the program manual that was developed there was language that clearly said that immigration status would not be held against a household necessarily but there was a requirement elsewhere in the manual that stated the requirement of a card or a number. He believes that largely mirrored what

Bill was saying that is at least one member of the household has to otherwise qualify similar to other rental benefits that they commonly administer. So, that is the origin of that requirement. Julia Ratti asked if there is no explicit rule and they have the opportunity to change that rule are they currently excluding a population that does qualify for the relief based on how that relief was rolled out by the federal government. Amy Jones stated that she is looking at the policy manual and what is in there is that legal residence in the United States is not required, individuals who are undocumented are included in the household and are eligible for assistance if all other criteria are met. Amy Jones asked Steve Aichroth or Jake LaRow to clarify this. Jake LaRow stated that what Amy read verbatim is from the policy manual that has been distributed and used by the three agencies. However, further down in the documents required there is a provision that states that in order to complete a determination of eligibility there are a number of bullet points that go over documentation of loss of income due to COVID and the other usual documents that are required and one of them is a social security card or other proof of social security number. This provision would then basically require one person to have a social security card or proof of social security number, but that household would not be precluded from receiving assistance if there was other folks in the household that were listed that did not have that information. Amy Jones stated that this is correct. In the public housing program and the voucher program it is a requirement to have at least one household member be an eligible citizen and that can include a minor child.

Steve Aichroth stated what he thinks they need to do to provide some clarity is to circle back to Clark County as their program was modeled on what they did so that they would have consistency across the state. Julia Ratti stated that her concern is that they do not have another meeting for an extended period of time, it is a first come first serve program and word has gotten out that you have to have a social security card to apply. So, she does not want to unintentionally be excluding a population that may be very much in need of assistance and often does not have access to that assistance. If this is just an unintended conflict, she hopes that they can move rapidly to not have the State of Nevada be putting more restrictions on these dollars when they are released by the federal government. If that is the case, that the actual implementation is not following the policy that there is some ability to act on that as quickly as possible without bringing it back to this body or any other body because on a first come first serve program if we do not do that then folks may not have an opportunity. So, yes please go do that and she will wait to hear as soon as some information can be brought back. Steve Aichroth stated that they can do that, and it is a policy manual not something that is in statute or in regulation. Rae Lathrop stated that she thinks it would be appropriate if those decisions or changes have been made in that procedure to reevaluate any applications that may have been denied in that short time. She also has some concerns about the way that the program may have been initially marketed to not have that requirement of documentation and then being part of the application process. So, for any families that did apply if they had not been able to meet that criteria that now they have kind of realized is maybe unintentional to the spirit of the funding, is there also a way to reevaluate some of those applications. She thinks time is of the essence because of the first come first serve basis of the program and it would be really unfortunate if they missed that by accident. This is really important and something to be expedited in figuring out how to accommodate. Audra Hamernik stated that in regard to what Amy was saying with people who are receiving expanded unemployment but actually were not paying rent, they have been very consistently since March seeing rent commit at 95%. The programs out there are really holding up this housing system, so it is amazing. They have folks that work for them that provide resident services, so they know who they have helped apply for unemployment or helped apply for rental or utility assistance. Out of the 7,200 people that they serve 4,700 units, they only have about 200 people that are not paying. Out of that 200 people they can see that truly it is a handful; less than 10 people have actually been in that situation where they know that they were getting expanded unemployment

and yet chose not to pay. For the most part, their residents have been great, and they have been trying to offer as much services as they possibly can but in a social distancing kind of way. They are doing the same work that they have always done, but in a very different way and they have been very patient. Many of them do not have great access to technology. Julia Ratti stated that this echoes what she has been seeing. While there certainly have been some individuals who have chosen not to pay their rent when they have had the resources when the eviction moratorium was put in place the numbers that she has been seeing coming out of different real estate reports, the worst that she saw was 80% that were paying and 20% were not. It is a very interesting time in housing in the state of Nevada watching behavioral economics and the choices that people are making at that individual level and how that plays up to the macro level.

Steve Aichroth stated that it is a little bit baffling that both in Clark County and Washoe County they have seen home prices escalate to their highest points ever while we are in the middle of this. He thinks this is an indicator of people wanting to flee California and now having the availability to flee California. The fact that rental rates are still high is also a little baffling.

5. Discussion of the drafting of one legislative measure which relates to matters within the scope of the committee (For Possible Action)

Julia Ratti reminded the members that they have a list of BDR's that were submitted by the Nevada Housing Coalition in their packet. The committee previously put out a call for submissions and anyone in the public was afforded the opportunity to submit ideas for consideration by the committee. The Nevada Housing Coalition's list was the only list received by the committee.

Christine Hess stated that since the last meeting the Nevada Housing Coalition Board dug in even further and they had a very robust board conversation which centered around the Early Notification Process to Local Governments for Owners Opting out of Subsidized Housing program. Preservation is very important to the Nevada Housing Coalition and overall for Nevada in order to increase its affordable housing stock. They also discussed extending the timeline for transferrable state tax credits. This committee knows how hard everyone worked to put in place the state tax credit. This is a unique tool that not every state has. The way that the statute was written really means that credits will not come into play until upon completion of the project. As they look at the state tax credit that currently will sunset at the end of June 2023, the first state tax credits likely to come into play will not be until 2022. They hate to lose the opportunity to maximize this effective tool. Ultimately, although preservation is absolutely a priority of the board and the early notification had robust conversation, they do not want to lose the transferrable state tax credit and maximizing that tool.

Nancy Brown stated that she agrees that both of these policies would be important. She has been very much in favor of a tax credit, but she has always asked who does the tax credit benefit. She knows as a financial institution there is no benefit for banks to invest because there is no tax credit advantage. She was at one time told that it would be gaming and possibly mining. With the gaming industry, is there going to be an appetite to invest in tax credits. Her question is are there people lined up for this tax credit. Her other concern is preservation, and which would have the largest impact as a bill on the stock of affordable housing.

Audra Hamernik stated that its excise tax on banks and payroll taxes, gaming licensing fees and general tax on insurance premiums. These are the three things or combination of these.

Nancy Brown asked if there is enough tax break to offset those, so that would be the question for each financial institution.

Julia Ratti stated that from a tax credit standpoint in the bill from last session, they had a decision point that needed to be made which was do they want to fix the rate of the tax credits at a dollar for dollar which had they done that there would have been no benefit to the purchaser. They would be doing it more out of a community investment strategy than a financial strategy or did they want to leave it to the open market, and they did make the decision to leave it to the open market. Certainly a BDR could be in play to change that if they didn't feel like it was the most effective mechanism or if their experience had shown that these were difficult to sell, that there were not buyers for them, or that the price that they were able to be sold for meant that they were losing a significant amount of revenue that wasn't going directly to affordable housing. If they start seeing these sell for \$.75 on the dollar as an example and 25% of it is then going to a tax break as opposed to investments in affordable housing, she does not think anyone on this committee would be happy about that outcome. They had some preliminary conversations with folks who felt relatively comfortable that they would sell at a rate that was less than a dollar but would still be a reasonable investment in affordable housing and they decided to move forward with faith in their community that there would be investors that would look to make this work for them but also who had a belief in affordable housing. That is where the policy ended, and she does not know if they have experience yet to know, and of course the world changed pretty dramatically in terms of financial markets.

Nancy Brown asked if they talked to the industries that they think would purchase the tax credits and actually talked about their appetite. Julia Ratti stated that during the process of writing the bill that they had, but that is dated by about a year and a half now. She felt very comfortable that there were buyers for these tax credits. Audra Hamernik stated that she agrees, and that Nevada Hand has been talking about tax credits to all of these markets. Right now, their biggest appetite is from banks. The banks that are doing this are not just buying these tax credits, they are doing other things within the financing package. They might be doing first mortgage lending, or they might be buying the federal tax credits. This is an extra perk for them, and it makes particular projects stand out to them because they get this added benefit.

Julia Ratti asked Steve Aichroth to clarify if any of the credits have been allocated or reserved at this point. Steve Aichroth responded that at this point they have been able to allocate since January 1, they have not at this point so it will not affect 2021 fiscal general fund. They are actively working with a project currently in manipulating the issuance of those tax credits. So, none have been reserved at this point. Julia Ratti asked if a decision was made at the executive branch level to not issue tax credits that would affect the 2021 fiscal year or the biennium as part of the budgeting relief measures. So, going back to the bill draft of extending the timeline, part of the argument would be that they slowed this program down specifically to help in the time of budget crisis and now they do not want to lose the opportunity so they would like to extend the timeline.

Julia Ratti stated that they have heard from the Nevada Housing Coalition that these are the two areas of interest that came out of the board's discussion and asked if there were any other items on this list that they want to see in consideration for selection for this Advisory Board to move forward as their bill draft.

Bill Brewer stated that he thinks these two are good candidates for the Advisory Committee's bill draft opportunity. There are certainly a couple of others here that he would be very interested in

seeing move forward but believes that Julia Ratti would be much better positioned to know how they might fair politically. They do not want to put forward a draft or a proposal that is going to be shot down.

Julia Ratti stated that she thinks they have some history with including in lieu of fees in legislative language in the last legislative session it did not make it to the finish line. It was, however, part of a bill that gave broad discussion to local governments to make decisions around housing broadly and affordable housing as part of that. She does not know if this were narrowly tailored and it was only that piece if that would help that bill to fare better than the experience they received in the last legislative session. She thinks it is worth somebody giving it another shot in a narrowly tailored fashion and anything to do with expanding taxation is going to need to get to the bar of two-thirds and bipartisan support. There will certainly be some work to do there. She thinks it is possible that there will be a conversation about taxation in the next legislative session given the challenges that they are going to face as a state financially. Whether that conversation will come to fruition or not is a different question, but she thinks that having policy ready to go that could be part of a tax conversation if that conversation happens is not the worst idea ever. If you do not have it ready to go it is not going to be part of that conversation and those conversations do not happen very often. They are seeing some interest at the local level at least in Clark County for having some protections for folks having housing vouchers as a protected class. That clearly has some interest in certain corners of the state and that one could have shot, and she suspects there will be folks who oppose it as well.

Julia Ratti stated that in regard to the Prioritizing Affordable Housing for Annual Allocation of Tax-Exempt Volume Cap BDR, there was conversation when the Private Activity Bond Council was established about who gets to make those decisions. Right now, those decisions are resting squarely in the Executive Branch and so the tension there is less around partisan or political in the nature of that than it is Executive Branch versus Legislative Branch and who gets to make those decisions. It is a different kind of question but having the support of the Executive Branch to do that would be helpful. She feels like if they have chosen the Early Notification and Extending the Timeline for Transferrable Tax credits are probably the least complex and the least likely to draw opposition of the list that they are looking at.

Nancy Brown asked if the committee could say that they support these and only have the ability to support one in hopes that someone else will pick up some of these bills or how active can the committee be. Julia Ratti stated that is a question that they can have Steve Aichroth work on with the Deputy Attorney General that is assigned to the Housing Division to take a look at the language. She suspects that if they want to write a letter of support for legislation that that would be within their ability to do as a committee, but they should double-check that. Bill Brewer thinks it is a great suggestion to see if the committee can write a letter of support for these other issues. It would certainly help the committee go on record. The Nevada Housing Coalition will also be supportive of all of these issues and would be advocating for that in the legislative session.

Bill Brewer asked if there is an opportunity for someone else that might pick up one of the two priority bills so that they can take the other. Julie Ratti stated that the Extending the Timeline for the Transferrable State Tax Credits is actually a relatively simple bill technically and requires that we generate the support. She suggests since she has traditionally sat on the revenue committee that she can request that the Senate Revenue Committee carry that bill which would leave the Early Notification Process for the Advisory Board to carry if the members are amenable to that. She believes that Christine said that the Nevada Housing Coalition will actively reach out to

legislators on the remaining bill drafts here to see if they can find individual legislators to carry bills.

The Chair made a motion for the BDR for the Advisory Committee on Housing to be the Early Notification Process to Local Governments for Owners Opting out of Subsidized Housing Programs. Bill Brewer made a motion to approve. Nancy Brown seconded the motion. All members voted in favor. The motion passed unanimously.

Discussion ensued regarding drafting the language of the bill and empowering Julia Ratti as the Chair to work with LCB on the details and bring those back to a future advisory committee meeting. The Nevada Housing Coalition will absolutely be a stakeholder, but she wanted to make clear that this Advisory Committee is going to start owning this bill.

6. Update on High Speed Rail Project and the Allocation of Private Activity Bonds (For Discussion)

Terry Reynolds stated that the role of Business & Industry with Industrial Development Revenue Bonds (IDRB) is that they provide the legal and financial review for those bonds. These bonds are basically conduit issues. The State has no debt obligation under IRS law. The Director's Office must make a findings of fact and a financial finding and then present that to the Board of Finance. The Board of Finance is the body that will approve bonds for the State. They approve housing bonds and from time to time charter school bonds which do not rely on volume cap. The Board of Finance is the conduit issuer for charter school bonds as well as industrial revenue bonds.

About two years ago, B&I were presented with an application for the high-speed rail project. B&I has been working on it for quite some time. The project has received just about all of its approvals. The Department of Transportation (NDOT) proposed and finalized a development agreement with the high-speed rail project team. Also, Clark County has approved a special use permit development agreement for their permits for the rail station and the associated improvements around the station. In addition, there is a series of federal approvals that they have to go through. They received an approval from the USDOT for their project to go into the highway right-of-way that goes from Victorville into Las Vegas. Several milestones have been accomplished. B&I finished their findings of fact and their financial and legal analysis of the project in late July. B&I took those findings to the Board of Finance who approved the allocation of \$200,000,000 of volume cap for this project in a special meeting. Additionally, they approved a bond of \$950,000,000.

A state can approve up to a certain amount of volume cap that will qualify a project for federal volume cap in the amount of four times that project. For example, if \$200,000,000 is approved by a state, then they can bond for \$800,000,000 using federal allocation of bond cap. In addition to that, this project for Nevada was \$950,000,000; an additional \$150,000,000 came from an allocation from the US Department of Transportation. The US Department of Transportation allocated one billion dollars for this project in capacity to bond for this project. All totaled in Nevada, it is approximately \$950,000,000 of which \$200,000,000 is volume cap. The Board of Finance approved that. In addition to that, they had been in discussions with the team that is developing this project and requested that they consider approval of affordable housing on their project. They have committed to a minimum of 150 units on the property for this project and they own property in excess of the area needed for the actual station and the parking garage, roads in and out and the additional accommodations for moving people in and out of the project. There is surface parking as well as ingress and egress to the station and a fairly substantial parking garage.

Brightline has about 60+ acres that stretch on either side of I-15 and they felt that on the west side of I-15, the project property that they own there would be suitable for affordable housing and they have agreed and committed to the development of affordable housing. They are also putting aside funding for MBE contractors and looking at labor agreements, and project agreements that will benefit the Las Vegas area. It has a substantial economic impact within the community. A copy of the overall plan can be provided to the committee members upon request.

In addition to the volume cap allocation, they did carry over approximately \$264,000,000 in volume cap of 2019 funding. The State received approximately \$323,000,000 in volume cap for 2020. Half of this amount, approximately \$161,000,000 goes to the Director's Office and half goes to local jurisdictions. They have had no IDR projects looked at for the year 2020 for the Director's Office so they still have their entire amount intact for this project. They may have one project, Fulcrum Bioenergy who is looking at some additional enhancements in the energy portion of their project. They are going to be totally renewable within their project over a period of time. In 2018, Director Manthe set aside about \$80,000,000 for renewable waste energy projects and that would come out of that. We have no projects to use the Director's allocation this year and so the entire allocation is intact. They did set aside monies for unknown housing projects to make sure that they would have money for future housing projects within 2020 and to carry funds over until their new volume cap allocation is received. Typically, in March 2021 the staff would get their new allocation. Nevada is in a good position as the population has been growing and the volume cap allocation by IRS is increasing every year.

Steve Aichroth stated that bond capacity that can be used for housing, currently in 2019 the Director's Office has carried over \$60,000,000 of cap which they plan on using for three planned housing projects. They will have an additional \$85,000,000 in 2020 cap for three additional projects and at this point as the Director indicated there are no foreseeable asks on the 2021 cap so a large portion of it should be available for affordability. Additionally, the Division has \$126,000,000 available for the single family mortgage revenue bonds and they anticipate that level of supporting home ownership activities into calendar year 2021 which gets them to where the next issuance of authority is issued in March.

Terry Reynolds mentioned that come September 1 local governments have to make a determination as to the use of that or they submit a resolution as to the direction of how they would like to use those funds. Those resolutions are currently coming in. Carrie Foley in the southern Nevada office handles the volume cap program for B&I and she is making sure that the local governments submit those. They will be scheduling a meeting next week with their Private Activity Bond Council to go through that. If the bonds for the train project do not get issued this calendar year, they have made it very clear to the applicant that come December, and California has an earlier date of October 1, that come December if they have not allocated the bonds they would likely carry those over and not designate them for this project. They would have to start over for an allocation. They do not want to strand monies because IRS makes you determine the use of those monies by February 15 for carry over of each calendar year. The Director's Office has to file a form with the IRS that states that they will carry those funds over and designate the use of those funds. Thanks to Senator Cortez Masto they are looking at proposing legislation that will give them a little more flexibility in the carryover of those funds. For example, if the funds were carried over for a specific project in the area of transportation or in the area of waste disposal and that did not happen, they have asked for the flexibility to be able to take that designation and within certain categories be able to have the flexibility to change that designation within the parameters of what this new legislation is proposing so that it does give the State some flexibility.

They hope that it does have some support in congress as it would really give them some great flexibility for use of volume cap and it would benefit most states and housing specifically.

Bill Brewer asked if Terry Reynolds could provide the committee with some specifics on the legislation so that they could prepare some letters of support from the Coalition and NRHA. Terry Reynolds stated that they do not quite have the specifics yet, but he will get together with Steve Aichroth who has been working with the congressional office to ask questions and be able to help structure that. They would love the support of different housing organizations and it would really be a benefit especially to Nevada, but also a lot of other states who find themselves with this issue.

Rae Lathrop asked if in the community benefits plan for the high-speed rail if there was a definition around that affordable housing that is being set aside because affordable housing can mean a lot of different things. Terry Reynolds stated that it was not, however they committed to work with them on what their housing needs are specifically within the Clark County – Las Vegas metro region. There is a wide variety of needs and so they have committed to do what will have the most benefit for that area. In addition to that, they gave them a list of contractors that typically do housing projects within the Las Vegas area because they said that they are going to have to rely on the developer to develop the housing. They were amenable to working with the Housing Division and they have structured a workshop with them to talk about affordable housing prior to this happening to the principals in the company so that they knew what type of programs were available. They also talked about tax credits and looking at the availability of tax credits so if they wanted to take advantage of that. They will be working with them through the Housing Division.

Rae Lathrop stated that she knows there are a lot of stakeholders in the county that would be happy to be a resource to help prioritize the need for the populations most vulnerable at the moment the project is ready. Terry Reynolds stated that assuming they are successful in selling the bonds the project kicks off in December of this year and goes for a three year construction period and will not finish until the end of 2023. The bond money that they are looking at does not go to housing so it would be above and beyond what they have committed to finance a housing project. Audra Hamernik requested a copy of the plan. Julia Ratti asked that it be sent to the full committee.

Julia Ratti asked if there was not a definition of affordable housing put in the agreements that define that was there anything in the agreements about phasing or anything that prevents them from going ahead with the rail portion and then having the empty land sit there for an endless period of time in terms of the actual housing component. Terry Reynolds stated that they made a commitment to Clark County to be able to develop the housing by the time this project was done. Basically, the three-year construction timeframe they would be developing that housing. There were two areas that were under agreement. One was that they would work with the airport board to look at resolving any potential conflicts with a future airport. In addition to that, they committed through to the County Commission and also to them at the Board of Finance to be able to finance a minimum of 150 unit affordable housing project and to work with the Housing Division as to what the needs are in the community. It would not be what they agreed to leaving that property vacant during the time of the construction of the project. Julia Ratti asked if those agreements are not necessarily in the issuing of the bonds, but they are more the issuing of the building permits from the county. Terry Reynolds stated that there is a letter of conditions of agreement as part of the bond that they agreed to and it would be part of that. They do have a commitment to Clark County and he would assume that Clark County could require them to do specific timing with the permits that they have in place to be able to do what they have asked them to do. If they do not, they may not get all of the permits that they need going forward, and he does

not foresee a problem as they have done everything that they have been asked to do at this juncture.

7. Summary of the Results of the QAP for the 9% Program (For Discussion)

Jacob LaRow referred to the spreadsheet that was sent out and stated that as it stands now these are the projects that will be funded this upcoming year. The projects are divided between new construction and rehab. On the new construction, between the restricted and unrestricted units they are seeing a planned development of 405 units which is pretty much on par with a rolling average in terms of what they see on new units with the 9% program. Of those, they have six projects, three which are in Clark County, two in Washoe County and one in the rurals. New construction outside of Washoe and Clark is unusual and those projects are usually harder to do so that is a good sign. They are seeing five projects with 237 units for rehab that will be preserved with the 9% program. Two of these projects are in Clark County and three in the rurals. Typically, the name of the game in the rurals is preservation so these are usually USDA acquisition rehab projects. All told this is 642 units under the 2020 QAP that will be created or preserved. Of those, with the exception of 25 are restricted or affordable. Sometimes the unrestricted are referred to as market rate, but generally those are not anywhere near market rate. Depending on the location those probably fluctuate just north of 70% AMI. In regard to the forward commitment of credits although they have done that in the past in the Nevada Housing Division, other states make it a point to forward allocate credits. So, this was a slight departure from how they normally do things. They did have two applications from one developer and combined those exceeded the cap of 1.25 million. They feel comfortable that being generally a zero sum game there are not any projects that are not being funded as a result of this. For comparison, from what he sees using their 2020 numbers their estimate would be about \$8,425,000 in credits available for projects in the next competitive round. In 2019, they had about \$8,300,000 so they will still have available credits next year to be able to provide a robust tax credit program. They did see one project return credits for the 2020 allocation so that allowed a significant amount of credits to be reserved this year which allowed them to fund all of the applications that came in. Upcoming plans for the next QAP, they developed some straightforward language on how they would handle applications that come in from developers that may exceed the predetermined per developer cap for the upcoming QAPs. In the interest of transparency this will make it known to everyone ahead of time that is reviewing the QAP to know what is going on and what they are trying to accomplish is that if there are left over credits then they will take almost a waterfall approach to it. So, they will follow all of their preexisting set asides and waterfall provisions and then if they are undersubscribed then this is the last option that they will evaluate additional credit applications as applicable. In terms of timeline they are looking for a late October adoption if that is feasible will set them ahead of where they have been in the last couple of years. Since the timing has slipped a little bit adopting it earlier will allow developers to be able to plan better to prepare applications for other soft funding.

Julia Ratti asked if the Housing Division prepares an annual report that cites the ribbon cuttings and includes pictures of the projects and the people that they will serve which could be helpful for legislators. Steve Aichroth stated that this information is accessible however it is not marketed very well. In the past, they have prepared a two-page handout that they can provide to incoming legislators that sort of tells the story of what the Division is doing. It is not nearly an annual report but something that is quickly digestible. They can expand on this. Julia Ratti stated that she is looking for more of an annual production summary that covers the programs, and then every year cites what was produced out of those programs. If they are going to continue and go back and advocate for housing policy at the legislature, that ability to show that work in a way that is accessible is important.

Elizabeth Fadali stated via chat that there is a summary available online although it does not include pictures. The link is:

https://housing.nv.gov/uploadedFiles/housingnewnv.gov/Content/Programs/HDB/HDB233_2019TakingStock20200421.pdf. Jake LaRow stated that they do prepare an annual report. Their economist, Betsy Fadali works with units of local government to compile an annual housing progress report. Discussion ensued regarding what could be drafted to better celebrate successes and illustrate how they have helped people. Audra Hamernik stated that she thinks that Steve Aichroth in his role has every right to ask developers to send him a one page pdf that has a photo and she agrees with Julia Ratti regarding talking about how they change people's lives and help communities stabilize versus units and buildings. Amy Jones stated that whatever Steve Aichroth needs they will provide for their projects as well.

8. Staff Updates (For Discussion)

Steve Aichroth stated that the Housing Division is still not open to the public, but all of their operations are functional. They have 50% of their staff telecommuting and have no known cases of COVID-19. They are working with their energy consultant to sync their strictest energy standards with that of the standards of the affordable housing program provided by the Federal Home Loan Bank. They are working on getting this set up for the next QAP, the idea being that if a developer gets the most amount of points in the energy bucket of the QAP they will automatically qualify for the most amount of credits that can be had through the AHP program. The federal home loan bank trying to sync that a little bit better to what they have done previously.

They are currently working with the University of Nevada and their Health in all Policies group from the school of Community Health in developing a study to determine which indicators can be used to prioritize their preservation efforts. Similar to what they did with the Truckee Meadows Tomorrow group, they were tasked with developing an early warning preservation system and that is sort of going to be their focus. Betsy Fadali is heading this up and as she rolls forward, they will have the ability to work with an intern so there is no additional cost to the Division. They think this will provide a framework moving forward so as these preservation projects do come forward with the limited abilities if they can determine if they have to make a choice of which ones to save and which ones have the greatest impact to the community.

Julia Ratti opened public comment for this agenda item.

Eric Novak stated that for the preservation this is great news and the Nevada Housing Coalition would like to be involved in that process. Within public health they do not really have the skill set to talk about most of the indicators for preservation. He wants to make sure that the technical skills are there related to indices for preservation and requested that NHC be kept in the loop about this. NHC would also like to be involved in the discussions with the Federal Home Loan Bank. Both Hilary Lopez and David Paul are on the advisory committee and were the ones actually advocating for dovetailing the requirements of Federal Home Loan Bank. Their hope is not that they have to meet platinum energy standards in order to get points. In other words that they are adopting the Federal Home Loan Bank's standards but that they create a standard for Nevada that Federal Home Loan Bank adopts because they are doing most of the things to meet the lowest level of energy requirements already. California has a program called Green Points that they use and that is in the Federal Home Loan Bank. They do not have a similar named trademarked program in Nevada for doing exactly the things that they are doing and getting points. They want to make sure that as programs are being brought together that they are not having to adopt California's standards in order to make this work for Nevada. One of the issues right now is that even for rehab projects they are requiring HERS level testing for energy to verify energy

conservation and energy rated homes and NHD's contractor does not have HERS certification anymore. So, they are spending money to do energy testing to meet the points for Federal Home Loan Bank. Their testers in Nevada do not have the HERS certification they may not be able to get the points. They would like to be involved in the discussion because there are a number of issues. The bigger issue has been that a lot of the scoring on the Federal Home Loan Bank is very California centric and that is one of the reasons that Nevada has not been getting their fair share of Federal Home Loan Bank funds.

9. Committee Member Comments

There were no committee member comments.

10. Agenda Items for Next Meeting (For Discussion)

Julia Ratti stated that an update on the BDR should be added to the agenda. Sharon Zadra asked if that for the BDRs would she include in that agenda item an update of the status of who will be carrying the others on their list and how that is progressing. Julia Ratti asked Steve Aichroth if they included a standing item for the Nevada Housing Coalition to make a brief presentation on the agenda. Steve Aichroth responded that it was swallowed up in the BDR presentation today, but that it can put it back on. Julia Ratti stated that since NHC is the advocacy group who will be working on securing other sponsors for bills they can inform the committee on how that is going. The other item will be getting the report back from Deputy Attorney General regarding whether the committee can draft letters of support for other housing related concepts. Also, when the committee started there was considerable energy from the committee members around providing input into the development of the QAP. The committee was unable to figure out the mechanism for this body to have an opportunity to give input into the QAP process due to extenuating circumstances throughout the year. Julia Ratti asked for help with understanding the timing of the QAP process and asked has that window closed for this year.

Steve Aichroth stated that they are required to do one workshop prior to the release of the QAP and that is usually a very spirited meeting of developers with the final adoption to occur in October. They would probably have to have a draft QAP between November and January if the committee is to have input which probably will not work.

Jake LaRow stated that there is nothing that requires them technically to adopt it by the end of October. The benefit would be a longer time for developers to look at it and line the projects up. It could be pushed out if there were greater concerns depending on how the energy efficiency and the green standards develop. Last year they adopted it at the end of January and the year before it was in February and so it is not unheard of. They have one public hearing that they need to work in with a 72 hour public comment period. He thinks that what they have done in the past is they provided the draft document ahead of time to folks for them to submit comments prior to the meeting and then they can adopt it shortly thereafter depending on what the Administrator wants to do based on feedback. The timeframe can be done by the end of October. The question is are they limiting to what areas of the QAP they may want to open up for discussion and consider revamping. Last year they hired a consultant who helped them clean up the QAP. The plan was this year for this group to take a dive into the substance.

Julia Ratti stated that her recollection of the conversation was that the QAP was put in good order in the last round and that was necessary to be able to then lift up and have the sort of more of a 100,000 foot conversation of what are the housing goals in the State of Nevada and is the QAP lining up with those housing goals. The input that she had envisioned this committee having

would have been more the February through April level of input to do some framework around the bigger picture goals that they wanted to make sure were included. As part of that, supportive housing, getting down to the lower AMIs, aligning with climate change and green energy were discussed. Now that they find themselves into late August and needing to move along the process the kind of feedback that they would be getting back from this committee would be more responding to the work that has already done and making some recommended tweaks. Discussion ensued regarding the level of participation needed this year or to set a goal for being engaged early on in the process next year.

Audra Hamernik stated that the Qualified Action Plan is a policy document. Some of it is required by IRS regulation, some of it is making sure that local policy goals are put in place and allocating these credits. She suspects that there are a lot of people on the committee that could benefit from a deep training on the QAP. It starts with them just reading the document in order to provide some meaningful guidance. There are tons of places that talk about best practices in the QAP. She is not sure if it is the committee's role if they are not as deeply committed to understanding it and the implications of it as staff are.

Brooke Page stated that they have within their organization reviewed the QAP in detail and have some ideas of recommendations that they would like to bring to this body first to possibly review and see if their recommendations are in alignment with the goals and priorities of the State before putting forth those recommendations to the actual QAP.

Julia Ratti stated that she thinks the appropriate process at this point for that kind of feedback is to get it to staff which can be done directly and to follow through in the workshop setting. She believes that with all of the uncertainty right now that it is not feasible for the committee to jump in and do any significant work on the QAP at this point in the process. She encourages all of the members individually to participate by reading the QAP, participate in the workshop, and provide their input to staff. It probably makes sense as a workflow if this committee is interested in doing a deeper dive on the QAP that requires that they build some capacity in the committee to have a deeper understanding of QAPs and how they work and what best practices are across the country. This would require a meeting or two to get up to speed before they are actually jumping in and giving feedback. But from a workflow standpoint it would make sense that they were more involved in the QAP process in an off legislative year and then focus on the legislature the next year when they have a BDR. So, every other year the committee would be taking a deeper dive on the QAP and in the off years would be working on the BDR. So, next April this committee would start talking about QAPs and learning more about the QAP process for the next cycle. For this cycle, the members would participate as individuals like anyone else in the workshop process.

Julia Ratti requested an update on the QAP process, more of a status of where they are for the next agenda. Depending on the timing of that meeting they can frame that up based on where staff is in the QAP process, but it will not necessarily be the needs of the Advisory Committee that are driving whether or not that process is finished in December, January or February.

11. Public Comment

Erik Novak stated that they support having the QAP out earlier. It had been the practice in years past to have it done by November and because of all of the other public funding programs, HOME funds in particular are based on knowing what your project is by the fall. This would tie it with the timing of Washoe County Home Consortium and Clark County, etc. The last couple of years they have not been getting blacklines of previous versions, so they had no idea what the changes

are when it comes out. One of the requests is that a draft of the QAP as a blackline from the previous year is released to the public, that there is a period of time that they can respond in writing, and that the participants in the process are able to see everyone else's comments so that when there is a hearing the information is already public. It would be great to see going into the hearing, the memo from the Corporation of Supportive Housing so that they can have a discussion. One of the things that has happened in previous years is that they start with last year's QAP, the hearing is held and then there is a final QAP and there are no comments allowed at that point. So, there is no ability to respond to the QAP before it is adopted. If there are going to be major changes between the first release of the QAP and the second that there is the ability to have a public hearing to respond to the final QAP. As the schedule is being planned out, he was concerned that if they are trying to adopt this by October that is a very tight schedule given that it is the end of August.

12. Adjournment

The Chair adjourned the meeting at 11:29 a.m.