MINUTES of the PUBLIC MEETING of the

ADVISORY COMMITTEE ON HOUSING

Monday, July 27, 2020 @ 9:00AM

Online Meeting: **Join from your computer, tablet or smartphone.**
https://global.gotomeeting.com/join/259253381

The following were in attendance:

Julia Ratti, Nevada State Senate
Amy Jones, Reno Housing Authority
Audra Hamernik, Nevada HAND
Brooke Page, CSH
Chad Williams, Southern NV Regional Housing
Nancy Brown, Charles Schwab
Rae Lathrop, RTC
Sharon Zadra, TMCC
Aaina Sharma, Praxis
Ariel Estrada-Parra, Praxis
Budd Milazzo, Business & Industry
Christine Hess, NV Housing Coalition
Elaina Mule, Charles Schwab
Eric Novak, Praxis
Frank DeCarlo
Hilary Lopez, Praxis
Jacob LaRow, Nevada Housing Division
Jimmy Lau, Ferrari Public Affairs
JoAnn Hansen, Accessible Space
Kanani Espinoza, Rowe Law Group
Katie Coleman, Nevada Rural Housing
Lena Frias, Nevada Rural Housing
Leslie Olson, Business & Industry
Lorri Murphy, CLSN
Mae Worthy-Thomas, Nevada Housing
Mark Licea, Nevada Housing
Michael Holliday, Nevada Housing
Morgan Shah, Nevada Legal Services
Peter Keegan, Attorney General Office
Robert Shaw, Nevada Housing
Roxanne DeCarlo
Russell Rowe, Rowe Law Group
Stephen Aichroth, Nevada Housing

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. **Approval of the May 11, 2020 meeting minutes (For Possible Action)**

Amy Jones made a motion to approve the minutes. Chad Williams seconded the motion. All members voted in favor. The motion passed unanimously.

4. **COVID-19 Updates/Responses (For Discussion)**
Steve Aichroth stated that the State provided $30,000,000 of Corona Relief funds to help in rental assistance. Early on in this process it was evident that Clark County was going to use some of its Corona Virus Relief funds that it received independent of the State for a rental assistance program. It made sense for the State to use the same parameters that they were using for rental assistance for consistency and with Clark County already engaged they needed to make sure that the rest of the State would be covered. They reached out to both Amy Jones and Bill Brewer and Amy's organization; the Reno Housing Authority is going to provide rental assistance strictly in Washoe County. The Nevada Rural Housing Authority is going to provide assistance in the fifteen other counties. By using their already established geographic parameters, they can ensure that there will not be a duplication of assistance as any household within any specific county will only be assisted by the agency serving that county. The agencies include Clark County Social Services in Clark County, in Washoe County, Reno Housing Authority and Nevada Rural Housing Authority.

As to the program parameters, it was set up that Washoe would receive $5,000,000 in assistance, Nevada Rural would receive $5,000,000 in assistance, and the balance of the $20,000,000 would go to Clark County to backstop their program. There is a clawback provision so that if these funds are not getting out, either not needed or that there is a greater demand in certain areas, they can adjust this as the program moves along. Clark County provided an update to Steve on Friday. This program was rolled out on Monday, July 20, there were a couple of hiccups with Clark County on that day which were all resolved by the end of the day.

Access to a program through a central landing page at the Housing Division's website, housing.nv.gov worked flawlessly the entire week. Clark County through their Social Services agencies at the end of the day had almost 10,000 inquiries and just short of 2,000 applications to their agencies. The Housing Division's website analytics indicate that they had 15,000 hits on day one, 13,500 of them were for Clark County or exited to Clark County's web page. This represented about 90% of the population. The following day the demand was about half, but the percentage was the same with about 90% representing Clark County. There are a couple of media outlets in Clark County that are continuing to promote the program.

Amy Jones stated that the Reno Housing Authority also officially rolled out on Monday. As of this morning, they have had 733 applications received. Since July 14, they have had 8,485 inquiries on their website. Individuals can go their website and all of the information is there as well as applications. They are only taking applications via their website, but if an individual needs assistance with completing an application, they are able to help them. They have set up a process internally where they send out a welcome letter requesting all of the required information from individuals so that they can verify that they have a COVID related loss of income as well as getting their lease so that they have the landlord's information. All of the payments will be paid directly to the landlords which worked very well with the Housing Division coming to them because with their voucher program they already have that capability in place. They are bringing on some temporary additional staff to help them. They are looking at some of their residents who may have their lost income, so helping this during this time as well as Section 3. They will be able to report this to HUD. They are very excited to be able to help Washoe County with this funding.

Julia Ratti asked if they have a sense of the timeline of the application to the payment of the rent. Amy Jones stated that in discussions with the Housing Division that the goal is fifteen days. The verification process could slow things down, but they are trying to get all of the information from the applicants as soon as possible to avoid this. Julia Ratti asked if Amy Jones has a sense of how many of the 733 applications have turned around and if they actually have a complete application. Amy responded that in speaking with staff on Friday, they were starting to trickle in, and she does not have a number this morning of how many are completed. As of Friday, they did not have any completed ready for payment. She plans to follow up today to see where they are.

Nancy Brown asked Amy how applicants who do not have online access can apply. Amy responded that if they do not have access to a computer they can call her office and they will get the form so that they can get the application completed by walking through it with them on the phone or if the volume becomes too much they can set up computers at one of their sites. Nancy asked if this is on a first completed first served basis and Amy confirmed that it is.

Audra Hamernik joined the meeting at 9:10 a.m.

Lena Frias provided an update for Nevada Rural Housing Authority. NRHA like RHA did a soft launch the week prior and formally kicked off the program on July 20. Since July 20 when all of the websites went live throughout the state they received as of last Friday 2,523 unique page views. They had chat materials up and running previous to the soft launch to advertise that things were starting to come through into the State. They have received about 4,700 unique page views since they began advertising on their websites. As of this morning they have received 484 applications for CHAP and like Reno Housing Authority and Clark County Social Services they are also first come first serve. They will begin funding their first round of applications this week. Most of their applicants are requesting as much as three months of rental assistance so it will be interesting to see how quickly they use these funds. They have not had any technical issues and all of their systems are running optimally. Most of their applicants have not had any concern with any technological access, however they are prepared to help any applicants that may need assistance.

Julia Ratti stated that if someone is requesting three months of rental assistance and they haven't been able to pay their April, May and June rent because of COVID that will get them current, but then July, August and September is due and the money is paid directly to the landlord. She asked as agencies are starting to process applications is there any data collection that indicates if these tenants are just getting current and will lose their housing in the next month because they no longer have rental assistance.

Steve Aichroth responded that this was contemplated in the funding. So, using this specific example, the first thing to do is to get them whole. The second is to evaluate what their status is with their current employment, unemployment assistance, where do they think they are going to be and if they need to advance rental assistance into July, August, September that will be done also. At that point, that should get them past the eviction moratorium, and they would reapply in September if they still needed that assistance and if funding is still available.

Amy Jones stated that they are looking at a three month verification. They will verify that they are eligible and then they will pay those three months of rent and then they will re-verify if they are eligible based on their circumstances. For example, if they do obtain employment and they are at about that 120% AMI then at that point they would not be eligible. If there are changes during that time, going forward they can reapply, and they may be eligible for future months.

Julia Ratti asked if there is something in the process that makes this very clear to the applicant that this is a finite funding source and that when it is gone it is gone.

Amy Jones responded that yes, there is the eligibility requirement and the funding availability. So, if the funding runs out, they are no longer able to pay them, and these two requirements are very clear.

Julia Ratti asked how the applications are prioritized with the remaining funding available. Will agencies keep saying yes to people to get them their three months whole or will they make sure that the people that have already been helped continue to stay housed.

Amy Jones stated that they are going to have to continue to evaluate as they go forward and be continually evaluating the funding so that they have an idea of how much they are able to pay because they do not want to give anyone any type of false hope that they are going to be paid through December. On Friday they had 688 applications and if they are paying all of those individuals through December, they will not have the funding to do that. That is over $6,000,000 so they are going to have to really continue to watch that and do a re-evaluation every three months of those individuals that they are assisting.

Steve Aichroth stated that both Amy and Lena along with Clark County are providing the Housing Division with a weekly report every Friday afternoon with what the status is so that they can continue to evaluate need. They can notify everyone in this group as they start to see things formulate. They would like to be ahead of the curve, and if there is going to be a second federal package of Corona Virus Relief funds to help with this, which is being discussed, or if the State still has additional funding, that they can request that and get it through IFC if that is a possibility and get more money out the door. So that is sort of where they are with this program. Regarding Division operations, the Division is viable. They have not ceased any operations, so moving forward with COVID they are still able to do everything that they typically do. The hardest thing to process at this point are some of the physical inspections of units. The IRS has sort of backed off on that a little bit.

Julia Ratti thanked the agencies and the Housing Division for their efforts in getting the rental assistance program stood up and to have a statewide solution so that regardless of where someone lives having a landing page that they could go to has been very helpful to have that centralized. She also thanked the Reno Housing Authority, the Rural Housing Authority and Clark County Social Services for leaning in and stepping up to set up these programs relatively quickly. She requested that Steve distribute the weekly report to the full board so that they can monitor this. Particularly in the next couple of weeks they will be interested to see how it rolls out, how many applications have been submitted, how many are in process, how many have actually been paid and for how many months. These are the critical data points.

Steve Aichroth stated that Clark County is working with fourteen different community partners and they need to find out which of those partners are effective, communicative, and efficiently getting the money out the door so that they can make those adjustments. Julia Ratti stated that they will want to see the burn rate of the dollars too, the average payout per individual and what is the balance.

5. **Housing Division Updates (For Possible Action)**
Steve Aichroth stated that the Division is able to move forward with their processes and he specifically wanted to add this agenda item because he wanted to bounce this idea off of the Advisory Committee. The Division was able to complete their scoring for the issuance of 9% tax credits which are the ones that do the deeper more targeted dives into the income ranges of 30%, 50% units as opposed to the bond structure, the 4% program that isn't necessarily competitive. They had roughly $9,000,000 that they could issue in 4% tax credits. Everyone who applied received their credits that they were looking for. Once those were all issued, they have roughly $875,000 still available. There was a developer that put in two applications basically for a Phase One and a Phase Two of a project.

There are three different options that they can consider with these tax credits of $875,000. The first option is that they can be rolled forward to next year which will leave a bigger pool of money to pull from next year. The next option is to do a second round which means revising the QAP. The third option is to provide those $875,000 to the Phase Two of this project which will not get the project over the finish line. They would need to forward commit roughly $250,000 to get that project over the finish line. That will enable that developer to immediately start to build on Phase Two. That gets them some economies of scale, and gets units constructed quicker, either a year quicker or four or five months quicker if they did a second round. The other thing that they would do is to reduce their availability of credits by that $250,000 in the upcoming round. They are looking for the Advisory Board's thoughts in regard to any of those three options. Jacob LaRow and Mark Licea who oversee the 9% program are on the phone if there are any questions.

Nancy Brown asked if they have evaluated the appetite of the investors at this time in relationship to COVID. Are investors going to actively pursue investing in rental housing when the ability to pay rent is severely impacted by the climate. She knows that it is a different part of tax credits, but it is something that she thinks the group may want to be concerned and aware of.

Erik Novak commented via chat that Nancy has a good point. Pricing is dropping. If the price per credit drops $0.05, then the existing awardees will be looking for additional credits to backfill their financing.

Julia Ratti requested to parking lot this question because the discussion is regarding the 30% and 50%. This is not necessarily the target housing that is employment driven, it is more our fixed income, lowest income individuals. It is a great question, but she prefers not to take the discussion off of the 9% scenario that Mr. Aichroth has started with the Committee. So, there is a path forward with the existing round of the QAP for the 9% credits. She asked if it is typical or unusual that there were not enough applications.

Steve Aichroth responded that they have enough applications, it is a matter of allowing a second bite at the apple. They did this last year and so this is not atypical. Nevada is finally off of the small state minimum, it is actually starting to get more because of population then what historically has been done in the past. There has also been an expansion of credits that was passed in 2017 and so they have seen more credits available and that has helped in that situation.

Julia Ratti asked if they have had a left over amount in the past. Steve Aichroth affirmed that they have. Julia Ratti asked how they have handled it in the past. Steve Aichroth responded that the

Housing Administrator can waive whatever they want to do to allow that. Last year they did a second round.

Jake LaRow stated that he believes the year in question was in 2018 where the second round also coincided with the Opportunity Zone set aside. It was more sizeable than the $875,000 that we are talking here, it was in excess of $1,000,000 or $2,000,000 perhaps.

Mark Licea stated that it was very close to the figure this year. They turned over about $800,000 last year and put it in this year's pool. They have almost the same that is left over, but in this climate he doesn't believe that it is good policy to turn over $800,000 in credits to next year when they can use them this year and put them towards a project that will increase the number of units from 75 to 150. Again, with the economy of scale because you increase efficiency. If they do a separate round, they will have the $800,000 but they will not see the economy of scale and likely have a much higher cost per unit and that is something they really need to look at. Within the last four or five years, and this is not just unique in Nevada, it is all over the country; the cost to develop one unit of affordable housing has increased about $50,000.00 per unit. It is getting totally out of hand. They have a way to create more economy of scale, turn a 75 unit project into a 150 unit project and have one closing with one investor incorporated into one project which will bring a lower cost per unit and most likely they will not come back for additional credits to finish the project.

They did this two years ago with almost the identical scenario and they created one project which was finished on time and they did not have to allocate the additional credits because of cost overruns. With the need to develop new units, it does not make sense for them to turn over $873,000 in credits to next year when they can be used now and create new units.

Julia Ratti asked Mark Licea to introduce himself. Mark Licea responded that he runs the tax credit program for the Nevada Housing Division. Julia Ratti stated that what she is hearing is that there may be two competing values. The first value is the efficiency and the ability to put those dollars to work and put them to work quickly. The competing value is transparency and fairness and so if you are not that developer who is getting that tax credit, and they don't have the same opportunity to have the second bite at the apple, do the other folks who have applied also have a Phase Two that they might be working on.

There are processes that are set up, the QAP and the competitive application and those things in order to have transparencies and fairness. Julia Ratti asked Steve Aichroth if he has authority to do as he sees fit and is that statutory or does it come from federal rules. She further inquired how do we know that we are on steady ground in the sense that we have a process set up and now we are going to choose not to follow the process for this last little bit of money.

Steve Aichroth stated that the tax credit program is set up through the IRS and the IRS allows states to construct things as they see fit or what works best for that particular state. Mark Licea stated that they have a lot of authority beyond the IRS. They did this in 2018 almost the exact same scenario, two projects with a Phase One and a Phase Two. They had enough for the Phase One and they funded the Phase Two, so they basically created one project more economy of scale. The reason that they implemented the $1,250,000 cap is that in the past they usually had more applications than credits. So, they wanted to make sure that not one developer dominated and got two or three allocations while other developers got nothing. In this situation, with credits left over, especially in this environment they are way behind the curve in terms of getting enough new units online. Nevada is a growing state and does not have the capacity to keep up with the growing population so if they can create new units now, create economy of scale in a much more efficient way, he thinks that is the best way to utilize these credits. They will make an adjustment for the developer who will get these credits by taking away how much they can apply for in the next pool.

Julia Ratti asked if they wanted to err on the side of transparency and fairness and do a second round and still get them out this year, how long does that take.

Mark Licea stated that it puts a risk to it because they will have to get an application together, there are certain timelines and timeframes that they have to meet. Let us say September, October, it lessens their time to get things organized and get things produced. Again, you will not have the economy of scale. You are probably going to have smaller projects. Projects now are getting up to about $230,000 a unit, you do not want to see that. They would like to see them closer to $200,000 or just under that to get more efficiency. If they put these credits to a new application round, you will see a smaller project, less efficiency.

Julia Ratti asked if the developer that has the Phase Two would not apply for the second round. Mark Licea responded that they would be able to apply next year, but that they would take that amount off. To be specific, the cap is $1,250,000 and if they allow them to apply now and then next year, they would only be eligible for $1,190,000 to apply for next year. Julia Ratti stated that the cap of $1,250,000 is new information and asked for clarification that in a given year a developer can only get $1,250,000. She also asked if what is being suggested is that by funding the Phase Two is that they would be exceeding the cap this year. Mark Licea stated that they would have to get a waiver. Julia Ratti asked if there was a second round could they include waiving the cap in that second round. Mark Licea responded possibly, but again you will not see the economy because they are incorporating two projects into one. One closing, one project, more units, greater economy of scale. That will not occur if there is a second round for that 800,000.

Audra Hamernik commented via chat that there is a process in the QAP for waivers and it is common for state housing finance authorities across the county to forward allocate credits.

Julia Ratti stated that she does not develop affordable housing, but others on this Committee do. The piece of information she is missing is how the rest of the developers, which is a very small niche group of developers come in and apply for 9% credits or even 4% bond program, how does the rest of the community that aren't the ones who get this extra money this year feel about it.

Mark Licea stated that this year every developer who applied will get a reservation and they actually have two smaller rural projects that did submit two applications and both of those will get funded because they were under the $1,250,000 cap. So, they have two projects that will get two developers funded. The developers will get a reservation for this year. This group that they are talking about to compensate for if there are not enough applications, they submitted three applications. So, one definitely will not get funded, but they can consider funding the second one that they applied for.

Julia Ratti asked if there is anyone on the Committee currently that is participating in this QAP. Audra Hamernik responded Nevada HAND applies every year and that they are part of the application round. Mark Licea stated that the other two were Nevada Rural Housing and Chicanos Por La Causa. Julia Ratti asked if there were only three applicants in this round and two of them are on this Advisory Committee. Steve Aichroth stated that there about twelve to fifteen projects and so taking away duplication as Mark mentioned there are probably about seven or eight developers in there.

Rae Lathrop asked if one developer submitted more applications or more funding request than the cap and the other developers only applied within the cap. In a conversation around fairness and transparency, she sees it as almost rewarding the developer that is asking for more money than was allowed. She wonders if the other applicants requested less money than what they needed because they were trying to stay within the cap. She asked if they think that process occurred in the applications thus making a second round of funding available to all might actually come up with additional Phase Two opportunities in this year for some of the other awarded.

Jake LaRow stated in considering a second round in the QAP would be the compression of having a second round which just for context, in 2018 when they did the second round, they had already by this point published their second round. Under normal circumstances applications are due the first Friday in May, but due to COVID the Division had pushed back the submission date to the first Friday in June. They are a bit behind their normal schedule, and they would have to be concerned with their 2021 normal round. Unfortunately, over the last two years, that QAP has been pushed on in terms of its publication and being made available for developers to take a look at that and put products together. If they were to put a second round in within the next couple of months, that would probably overlap greatly with when they would anticipate having their public hearings to develop their 2021 round. What the eventual impact on that might be is uncertain but it certainly would play a role.

Julia Ratti asked if the market volatility plays into their decision as to whether they want to do this sooner rather than later. Mark Licea said he noticed that this year the pricing was down a bit. There was a trend down. Usually, the value is a little higher. He noticed this on almost all of the applications. Julia Ratti clarified that Mark is referring to the value of the credits and Mark confirmed. Audra Hamernik stated that there are many factors that go into the credit pricing. One is the type of project, the size of the project, the balance sheet of the developer, whether or not rehab is involved where there is more risk than there is for new construction. But right now, they and probably other developers that are in this particular round may be grandfathered in on their pricing which is good for the State. The more they rate the less they will have that grandfathering protection of the initial buyers of the credit who are interested in these particular deals. That will eventually expire.

Julia Ratti stated that it sounds like this is something they have done before and it sounds like there is some urgency around it. Moving forward is there a way to rank the QAP so that it contemplates not using all of the credits. Mark Licea stated that the reason they implemented the 1.25 million cap, was because historically they were getting more applications than credits. He thinks in the next QAP they should say that if they are undersubscribed they will consider if a developer does submit a second application because in this market with the need for new units it is crazy to return 873,000 in credits when they can produce the housing now. He thinks that they can tweak the QAP to take care of that. Julia Ratti stated that she would feel more comfortable if it is stated in the application process what happens if they are oversubscribed or undersubscribed so that people can then do their application strategies starting on the same point. The Committee is advisory in nature and the Division can choose to do what they want after hearing their comments. Julia Ratti asked the members if any of them have any thoughts.

Nancy Brown stated that she would hate to see them lose the value of the tax credits. She knows that they want to be transparent and fair, but ultimately how can they get more housing on the ground quickly and efficiently. She personally is leaning towards the Housing Division's recommendation even though they are not able to vote on it.

Rae Lathrop stated that she agrees. She really liked the recommendation to include this in the next QAP because she thinks that is how the Committee started out to review the QAP and now that they are seeing some examples where there could be additional detail or other process she would like to see that this on the to-do list for the next process.

Julia Ratti stated that when it comes to supportive housing where we have 17 for every 100 that is needed, there is always urgency to get more of these units on the ground. She thinks that going forward we should never be forwarding money to the next round unless the market conditions just are not to a place where folks cannot make a project pencil. They should be set up from the very beginning to get this money out every year because now we're in the middle of a pandemic and the conditions are terrible, year-round every year regardless of the economy conditions are terrible for people who are at 30% AMI or 50% AMI for getting housing in Nevada.

Mark Licea stated that they did get special needs applications this year and both will get a reservation. One was in Washoe and one was in Clark County. Steve Aichroth asked Jake LaRow and Mark Licea if they had any issues with what has been suggested. Steve Aichroth stated that he appreciates the Committee's guidance.

Brooke asked if there is a way for them as an advisory committee to review the types of projects that are being considered for these tax credits to see how much supportive housing is built into that, the target population and the things that are being proposed for these credits. Mark Licea stated that when applications are received, he lists them all with the name of the developer, how many units, how many restricted, how many market rate, and the type of housing that it is. Also, the total development cost and the amount of tax credits that they are requesting. Julia Ratti requested that this information be provided to the Committee so that as they are wrapping up the round that they can understand first and then celebrate what is being accomplished by these programs. She also requested that for the next meeting the Division provide an update on what got built or is going to get built out of this round.

6. **Nevada Housing Coalition Report (For Discussion)**

Christine Hess provided a quarterly update for the Nevada Housing Coalition (NHC). NHC wrote a letter to the Governor requesting $50,000,000 in CRF and were very thankful for the $30,000,000 commitment and the approval by the Legislature. They have been working with the Guinn Center for information and have been leveraging partners to provide information and resources during this time. They hosted statewide webinars to provide information bringing the Arizona team on to share their experiences. NHC is actively participating in the Clark County Housing Recovery Team. With 90% of the requests going to Clark County, it has been a great learning opportunity the ability to listen for their gaps and connect additional resources. Right now, they are working on a surge and it is pretty tremendous in terms of their goals to house the unhoused. They recently connected with some private partners for landlord engagement.

Christine Hess shared a graph from The Guinn Center which indicates there could be as many as 327,000 that are facing eviction when the moratorium expires. The scale is amazing and as they all consider their roles, they need to think about are they going to need more funds if there are more CRF funds. Another graph showed that in the Great Recession peak evictions occurred 2 years after unemployment. As the state considers all of their programs and support mechanisms, they definitely want to keep people housed now and they need to make sure that they are still looking forward as they think about the COVID. The federal support has been tremendous. Enterprise recently did a study which showed 80% of the stimulus payments were used towards housing payments or essential items. Enterprise is helping NHC do some scans across the country. What they are seeing now is that most communities are responding. They will be tapping all of their partners to understand what they are seeing as gaps in opportunities so that they can help inform this Committee and the Housing Division about best practices or things that they are hearing on how they can address a longer term recovery. NHC provided public comment on the recent High Speed Rail project and requested consideration that going forward in 2021 that the volume cap be prioritized for affordable housing development. Additionally, they requested that large economic development projects with job creation potentially have an affordable housing component.

7. **Discussion of the drafting of one legislative measure which relates to matters within the scope of the committee (For Possible Action)**
Steve Aichroth stated that the only suggestions received were the outlines from the Nevada Housing Coalition.

Christine Hess provided a high level summary overview of their ideas for the drafting of one legislative measure which include:

1) <u>Early Notification Process to Local Governments for Owners Opting out of Subsidized Housing</u>. This is a preservation priority. The Nevada Housing Division does already implement some rules to address this but there is potentially an opportunity to put into statute some more consistency.
2) <u>Enhancing and Enforcing the Provisions of NRS 278.235</u>. This is something that they have realized that the current law was adopted in 2007 and as it went through the Legislature in the end it really only applies to Washoe and Clark County and there is not a strong enforcement mechanism. The NHC policy committee believes there is an opportunity potentially to expand to the entire state as well put in place some more enforcement mechanisms. Additionally, there is an opportunity to review the reporting data points and perhaps make sure that they are relevant, or do they need to add some more or take some away that may not make sense.
3) <u>Prioritizing Affordable Housing for Annual Allocation of Tax-Exempt Volume Cap</u>. There currently is not a prioritization for affordable housing and Private Activity Bonds are one of the most cost effective finance tools for affordable housing production.
4) <u>Amend NRS 278.250 to Include Linkage or In Lieu Fees</u>. This amendment to the state zoning enabling legislation would expand local authority to allow for in lieu fees and linkage programs, in addition to inclusionary zoning. Inclusionary zoning is already allowed and that is a potential educational component that NHC is hoping to bring forward to stakeholders. There is an opportunity to enhance this and include the linkage or in lieu fees particularly with the passage of SB103 last year. Julia Ratti stated that she was not familiar with using the term linkage and asked for clarification. Eric Novak stated that it is defined under item (d) in the letter, but it means the fees imposed on the developer or lessee of commercial development generally in the amount that is calculated – the purpose of this was to provide additional tools for local governments that is not just housing related. Inclusionary zoning typically is specific to housing that if you are building market

rate housing then you have a set aside of affordable units in that market rate development. Linkage is related to any commercial development that would have an impact on housing. It might be an in lieu fee as opposed to actual units on the ground.

5) <u>Extending the Timeline for Transferable State Tax Credit</u>. This is one that was added since our initial conversation. It also comes back to Committee Member Brown's conversation around the timing of credits and what that looks like in light of COVID-19. Speaking with the Nevada Housing Division, per the statute the tax credits are claimed upon completion of the project. So, likely we would not see any claiming of the tax credits until fiscal year 2022 and right now those state tax credits are set to expire on June 30, 2023. Also, from a certainty for developers there is an opportunity to potentially extend this timeline to 2025 to make them as effective as they can be and maximize those.
6) <u>Expand the Room Tax to Include Transient Housing Settings to Fund Affordable Housing</u>. Currently the weeklies due not pay the transient room tax for rooms that are occupied for greater than a month. One thought would be that these additional collections could be used to fund affordable and supportive housing activities. In other areas around the country there are examples in which room taxes are used for affordable housing purposes.
7) <u>Add Housing Voucher Holders as a Protected Class</u>. Nevada state law does have their housing protections but there are no protections based on income sources. They recently saw this potentially coming forward in Clark County as a more local ordinance. It did not hit the Commissioners meeting last week, but it is a conversation that is happening around the state already and in speaking with our fair housing advocates it is something that is difficult to track.

Julia Ratti asked if there are a couple that are the top priority of the Housing Coalition.

Eric Novak stated that they certainly do not want to lose the transferable state tax credit. He hates to throw away the one bill draft request on something they already thought they won. He believes the question is what they can get someone else to introduce versus what needs to come from the Advisory Committee. Some seem like lower hanging fruit than others. The zoning ordinance already allows for inclusionary zoning so to clarify that that could also include linkage and in lieu fees. He believes that is doable and that it is not that controversial, it is actually a lesser step than inclusionary zoning. They want to do one that is achievable and will have impact. That one he believes came from action because they already have a housing trust fund that is created in Washoe County, but they have no mechanism for funding it right now. So, in lieu fees would be one way of funding the housing trust fund in Northern Nevada. They would love to see the early notification; they think that they could be doing more there and that it is low hanging fruit and should not be that hard. His guess is that most of the local governments would support it. This could be expanded to include not just tax credit housing but also HUD and USDA housing that is opting out of those programs, but that they would support being given some early notice and some opportunity to step forward and preserve those.

Nancy Brown asked if there was a way to identify if legislators may be willing to champion some of these. Julia Ratti stated that from a bill deadline timing standpoint, legislators have their first round of bill drafts due on August 1. They lose a little less than half of the bill draft requests available to them on August 1 at midnight. Most of those have already decided what they will do. They get a second bite at the apple the first week of December when they have almost the second half of their bill drafts due and then assembly members get one more and if you are a senator two more on the week that session starts. This committee has to have its bill draft submitted by September 1. The timing is a little bit off in that if there were going to be some shopping of bill drafts requests to legislators it would have to happen in the next four days before the bill draft deadline for this first round goes and then they are going to need to make their decision by September 1st so it would require that this body meet again in August if they don't have one selected.

Amy Jones stated that while they would support the Add Housing Voucher Holders as a Protected Class as a BDR, what they see in the north is cyclical. When the housing market is good and landlords can charge higher rents, they see their voucher holders not being able to keep up or afford those rents, but when the market is bad all the landlords want are clients because they know it is a guaranteed payment. They do not see a ton of landlords not wanting to accept the voucher. It absolutely happens, they see more that they can get a higher rent so their voucher holders cannot afford it.

Julia Ratti stated that she was on a call with some stakeholders recently where they said they did not want to see this because this legislation has been talked about, they were already aware of it and did not necessarily want to see it because many of their clients did not want to do the paperwork associated with the vouchers even when they were an adequate amount.

Amy Jones stated that this does happen from time to time. Her housing authority really tries to streamline it as much as they can, but absolutely landlords do not want to mess with the paperwork, the inspection. Overall, that is a few.

Julia Ratti asked the members if there is something that has jumped out to folks and they really think that that is the bill for this committee or are narrowing it down, then they can definitely make a selection today. Or they can give people the time to really look at these, talk to their colleagues about it, and come back for another meeting in August with their thoughts a little bit more organized about which one is the best one for this group.

Brooke Page stated that she would like to recommend that the committee postpone a decision until August to allow for more time to research and make an informed decision. Audra Hamernik agreed. Nancy Brown also agreed and stated that it also may give time to the Housing Coalition to see if there are other legislators that want to support any of the other bills and what might be left. She also thinks housing preservation is really important, they do not want to lose what we have. She sees that as a really important bill for this committee.

Julia Ratti stated that it is a huge step forward to have it narrowed down to a list of seven and she thinks they are all great, high concept and viable bills. She thanked the staff for putting out the call for proposals and the Housing Coalition for reaching out to their partners and the members that participated. She advised members to reach out to Eric Novak or Christine Hess if they have questions and asked them to plan to come into the next meeting informed and ready to advocate for the ones that they think the Advisory Committee should be pursuing.

Steve Aichroth stated that members can reach out to the Division, they do not have a whole lot of say in the 278 NRS but just for an informational standpoint regarding the preservation, he would encourage members of the committee to reach out to them. Also, there is a tentative date scheduled for the next meeting on August 26 at 9:00 a.m.

8. **Staff Updates (For Discussion)**
   There were none.

9. **Committee Member Comments**
   Brooke Page stated that she wanted to make sure that the committee members were aware of a Nevada Medicaid Academy that is starting in the month of August that will help. She knows that there was some discussion during the special session related to tenancy and courts and how that would be impacted. A lot of the work that is coming out of that session leading into the services piece and how they are building a robust service package for future supportive housing projects in the state, and look forward to perhaps updating this committee in the future as to the success of the academy and how they are building the support services piece of the state.

10. **Agenda Items for Next Meeting (For Discussion)**
    Selection of the BDR
    Update on the High Speed Rail Project and the Allocation of Private Activity Bonds
    Summary of the Results of the QAP for the 9% Program
    COVID-19 Updates

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

12. **Adjournment**
    Julia Ratti adjourned the meeting at 10:40 a.m.