



DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

MINUTES of the PUBLIC MEETING of the
ADVISORY COMMITTEE ON HOUSING

Monday, May 11, 2020 @ 9:00AM

Online Meeting: Join from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/342155493>

The following were in attendance:

Julia Ratti, Nevada State Senate	Nancy Hamilton, Wells Fargo
Bill Brewer, Nevada Rural Housing Authority	Christine Hess, Nevada Housing Coalition
Nancy Brown, Charles Schwab	Michael Holliday, Nevada Housing Division
Audra Hamernick, Nevada HAND	Jacob LaRow, Nevada Housing Division
Amy Jones, Reno Housing Authority	Budd Milazzo, B&I
Rae Lathrop, RTC	Alan Molasky, Ovation
Brook Page, CSH	Lorri Murphy, CLSN
Sharon Zadra, TMHC	Eric Novak, Praxis
Sarah Adler	Leslie Olson, B&I
Steve Aichroth, Nevada Housing Division	Jessica Rasmussen, Praxis
Kristin Cooper, Clark County Social Service	Russell Rowe, Rowe Law Group
Lisa Corrado, City of Henderson	Bob Shaw, Nevada Housing Division
Kanani Espinoza, Rowe Law Group	Kevin Sipes, Clark County
Ariel Estrada-Parra, Praxis	Mae Worthy-Thomas, Nevada Housing
Betsy Fadali, Nevada Housing Division	

AGENDA

1. Call to Order and Roll Call

The meeting was called to order at 9:00 a.m.

2. Public Comment

There was no public comment.

3. Approval of the January 22, 2020 meeting minutes (For Possible Action)

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

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

Steve Aichroth reported that the Nevada Housing Division is open for business. The single family program will hit their projections. Telecommuting is working well. The only issues the Division is experiencing is inspections of in person units both on the multi-family side and the manufactured housing side. They have processed more titles for manufactured housing than last year. They have inspected a 60 unit project in Edison and Reno which is for potential COVID evacuees and are working on another project with Washoe County at the Northern Nevada Adult Mental Health Services Campus. Their S&P AA credit rating has been maintained. They have two bond projects that they are working on and closing.

The Division ceased doing a down payment assistance using the hardest hit funds once they were aware that they were going to be economic issues related to COVID-19. They have worked with their hardest hit fund eligible entity, Nevada Affordable Housing Assistance Corporation in providing 5 million in unemployment mortgage assistance program. It is expected to assist 1,300 homeowners with the current funding in that program. They are currently working with the Attorney General's Office and the Treasurer's Office on an eviction program where they are utilizing their affordable housing trust fund to assist renters. The Division will potentially receive the CARES funding this week which was an additional 1.6 million in ESG funding for the rapid rehabilitation and homeless prevention. Also, the CARES Act provided CDBG funding additionally to local jurisdictions and the State. In the State, this is handled through the Governor's Office of Economic Development (GOED). The State's non-entitlement portion is \$2,000,000.00. There was also a statewide allocation of \$340,000 statewide for the Housing Opportunities for Persons with Aids including \$60,000 handled through Health and Human Services. The CARES Act also provided forbearance in the home ownership range of up to a minimum of three months. The state of Nevada received an additional 2.6 million in emergency food and shelter program through FEMA dollars. Senator Rosen and Senator Cortez Masto are also sponsoring an emergency relief bill for rental assistance.

Jacob LaRow stated that the substantial amendment process that Steve mentioned regarding the ESG funds that are under the Housing Division, the CDBG funds that are under GOED and the HOPWA which is under Health and Human Services (HHS), that last week he received four emails in the same day from their HUD representative providing clarification and so they are adjusting their plans and processes as HUD continues to refine guidance. With regard to the grant award letter that was sent to the Governor back in early April, the funds are available as of today, but that means that they would have to have their substantial amendment process done which includes a 5-day public comment period. Since they only do one substantial amendment process per HUD's direction that means that they have to submit it at the same time as GOED and Health and Human Services does. They are coordinating with GOED and HHS to make sure they are all on the same page so as not to delay it. They anticipate having the substantial amendment in IDIS this week and commencing a 5-day comment period shortly thereafter to receive comments as to how these funds should be deployed. They are scheduled to receive additional Low Income Housing Energy Assistance Program (LIHEAP) dollars. The Division's Weatherization Program stands to receive an additional \$400,000 in LIHEAP dollars that were made available through the CARES Act which will bring the total funding for this next program to just north of 1 million dollars.

Mr. Brewer asked if the Housing Division has a run down on the assistance programs that are under operation and what is available in Washoe and Clark Counties. Discussion ensued regarding programs that may be available.

Eric Novak asked if there are any plans for how the second round of CDBG-CV to the State of Nevada will be expended, it was a large grant of \$9.9 million. Can we look at using CDBG-CV to supplement the State Housing Trust Funds for emergency rental assistance? The concern is that the Trust funds will become oversubscribed. Steve Aichroth stated that the grant is more like \$12 million when combined with the first round of funding. The bulk of this goes to the local jurisdictions. The non-entitlement portion or the part that the State receives is slightly over \$2 million dollars and GOED oversees CDBG. The substantial amendment will be coordinated with them. Eric Novak asked if there was a recent round two award to the State of \$9.9 million. Jacob LaRow mentioned there is a debrief scheduled between the three groups tomorrow and he will circulate a summary to the Committee once the 5-day comment period has passed. Julia Ratti asked if we used the State Housing Trust Funds for emergency rental assistance are there other opportunities we are giving up. Steve Aichroth stated that the beauty of the housing trust funds is their flexibility. Many times, the affordable housing trust funds are used in the capital stacks of projects. They are not a huge portion of it, but they are a portion of it. There could be somewhat of a detrimental effect there.

5. Economic Comparison of Current Situation to the Great Recession (For Discussion)

Betsy Fadali, Economist with the Nevada Housing Division led this discussion. They are seeing a very different geometry and a very different initial impact. The highest Nevada monthly initial unemployment claims during the Great Recession was in December 2008 which was 36,414 initial claims. In March, there were 208,869 initial claims which is about six times that amount. There are about 300,000 continued claims which puts us at about 22% insured unemployment that compares to about 15% nationwide which shows that Nevada is impacted more than the nation as a whole on average. The good news is that 80% of workers that were unemployed are reporting that they are unemployed on temporary lay-off.

Nevada is very likely to be one of the top hardest hit states. The last time around Nevada was hit hard because it was the fastest growing state in the country for decades which helped us to have an enormous housing bubble. This time around Nevada's Achilles' heel will be its continued dependence on the leisure and hospitality sector. Nevada construction employment in 2007 got up to about 143,000 jobs. That was one of the hardest hit sectors. In contrast, right now we only have 96,000 jobs in construction, and we have a 15% higher population than we did in 2007. So, we are not in a housing bubble, there are quite a few units out there coming online to meet what was a fast growing economy. It is not the kind of out of balance situation that we had in the Great Recession. Nationwide construction was down in April 13%, but that is still good compared to the hardest hit sector, leisure and hospitality which is down 60% nationwide. In our last recession, the leisure and hospitality sector employment shrank by 9% over the entire recession. During the Great Recession there was a gradual decrease in rents over five years of about 28%. The National Multi-Family Housing Council is not seeing rents going down yet. The Council is seeing hints that there will be rises in vacancies. So far home values are holding up, and sales volume is down and in the Great Recession we saw a huge drop in home prices.

Christine Hess with the Nevada Housing Coalition asked if Betsy's report could be provided. She stated that the Coalition has partnered with the Guinn Center and shared some preliminary data and have seen some interesting points. What the Guinn Center's research finds is that during the Great Recession the peak unemployment which came about late 2010/2011 preceded peak evictions. As we consider housing security for our Nevadans, we should keep in mind that the filing rate and the peak eviction rate came about two to three years later from the peak unemployment which was post-recession. There is data that shows during the recession that the

severely rent burdened increased after the recession. The moderately cost burdened did not increase the same as the severely cost burdened.

6. Discussion About the Current State of Housing (For Discussion)

Amy Jones reported that the Housing Authority staff have been working a split schedule to protect their staff. All of their common areas and lobby are closed, and they are not seeing any of their residents at this time. Everything is being communicated through a drop box or via email and staff is responding. Their focus is on rent decreases so as clients are losing their employment, they are processing those as fast as they can. They are only processing emergency work orders. They are concerned about the backlog of orders they will need to catch up on. They are moving back to a 40 hour schedule next week although common areas will continue to be closed. They have two senior residents who have tested positive. They have had a huge amount of community support that donated meals to their residents.

Bill Brewer reported that they have sent their staff home for several weeks and they are just beginning the reintegration process back into the office with rotating shifts with their voucher staff. They are looking to bring in additional staff next week and start to get caught up. Their main concern is their backlog of work and their voucher program. They have closed their door to the public temporarily and are conducting all of their interactions by phone or internet wherever they can. As far as construction concerns, they have an active rehab project that may involve relocating tenants. They have an emergency assistance program underway with funding from three different sources thus far which includes the National Low Income Housing Coalition, trust funds through the State and the United Way. They are seeing a heavy volume of calls for assistance for that program. Unfortunately, those funds are limited. They are only doing a one-time assistance with this, and so if a family needs three months' worth of assistance, at this point they are unable to help them with that. This presents a real concern as when the eviction moratorium ends people will have a big hill to climb to get current again on their rent and/or house payment. So, the need for the emergency assistance funds is going to be fairly substantial.

Rae Lathrop reported that from a regional planning perspective, they are trying to work with their stakeholders and partners to help coordinate and assist them as they work forward. They are reminding all of their stakeholders and partners that a regional plan for Southern Nevada was written and informed by the economic conditions of the recession and providing some support or alignment as they work through this crisis.

Brooke Page stated that their organization launched a community platform for supportive housing providers to access resources and guidance and connect with peers across the country around best practices about how various supportive housing partners have been addressing COVID-19. The platform has resources to the CARES Act and ways and innovation to use that. They are focusing on Day 91 and the post resources that are available and helping connect people to permanent housing resources. Link to the platform:

<https://csh.csod.com/phnx/driver.aspx?routename=Social/Communities/CommunityWithFeed&Root=10>

Audra Hamernik stated that none of their 300 employees have tested positive for COVID. They have about 7,200 residents and they have less than 8 that have self-reported that they have COVID. Their April rent came in at about 95%. May is already in at 90%. Their two construction sites are still progressing, they have over 200 units and many buildings under construction now. They had a donor give them \$300,000 so they could feed the seniors in the senior property. They just completed the first round of hand delivering 2,000 seniors a month's worth of food. They plan to do one more month of this. They have a transportation program in

their senior properties and their ridership has dramatically decreased as people are scared to go out.

They have some active financing of properties occurring which is going well. They are preparing their Low Income Housing Tax Credit applications for June. They have had some good access for their residents getting rental assistance. The rental assistance has been coming in although the rental application for assistance is difficult to help people fill out the forms when you cannot sit with them. They are happy that the SBA came through right away and they received 3.2 million in paycheck protection program. They have paused their capital projects. Rental assistance will run out, and they believe that August will be the problem as this is when all of the assistance programs will drop off on July 31. They are thinking about what net cent raise will be on their tax credit awards. They do not know what the demand will be and the appetite in the market will be.

Sharon Zadra stated that she has been very involved with a grant that they received in combination with the Washoe Health District and Renown. It is a Robert Wood Johnson grant and it was originally designed to address loneliness and isolation, and the health effects caused by that in relationship to the high suicide rate that we have in the state of Nevada. Loneliness and isolation have now become a topic that everyone is experiencing. They are putting together programs immediately. Robert Wood Johnson agreed that they could modify the original design of the grant to take hold of these major concerns. They have already produced a resource guide. They have experienced tremendous partnership across the board from Hometown Health to the Food Bank, and Meals on Wheels which required getting federal approval to put their information in that box that will be going to those seniors this month. Additionally, they are producing a pod cast that will air twice a week once the website goes live. They have had as much as 23 seniors joining them on calls to learn about issues. They have had a doctor/psychologist, and recreational experts talking to them about not letting the fear of this overcome them and encouraging them to be smart and stay inside. They are working with Nevada CAN and cross promoting and leveraging with everyone.

Nancy Brown stated that Opportunity Alliance has launched a financial navigator program, www.opportunityalliancenv.org. The navigators have been taking up to two hours per client to walk them through their issues and develop a working plan and budget so that they can go to their landlords and mortgage companies ahead of time and have a plan in place. The working plan will have details on what their steps are and what they need to have ready when they call for services. They have been fortunate to have access to two different sources of limited funding for crisis. So, if their navigators are talking to someone and they need immediate funds, they can get this into their accounts within two days. The navigators are executive level people that are working with individuals to navigate them through their financial stress. They see the financial navigator program as a long-term program. They hope to eventually have credit counselors on board. On May 21 they plan to begin biweekly webinars on financial issues. The May 21 webinar topic is: What is the impact on some of the stimulus money on lower income individuals benefits such as Medicaid and food stamps.

Julia Ratti stated that from her seat sitting as a State Senator, they are watching revenue to the State plummet. Nevada has a part-time legislature and a full-time Governor, and a lot of the work is falling on the Executive Branch to navigate the new revenue that is coming in and to be doing some of the forecasting that will keep the State stable. The best news they have to share is that they did a nice job in the last two legislative sessions of funding the rainy day account. The question of whether there will be a Special Session depends on from a tax revenue standpoint there are revenues that they will not have an accounting of until 45 days after the end of the month.

They will not have a full picture of a full month until about May 15 when they will start to see an actual full month of data. She suspects that there will be a Special Session at some point as they will reach the limits of what the Executive Branch is able to do without also bringing in the Legislature to assist. There has been great communication between the Executive Branch and the Legislative Branch. There are a series of IFC meetings that will be happening and there are certain triggers that happen, so the first thing that needs to happen is the Declaration of a Financial Emergency.

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

Julia Ratti stated it is likely that the legislative priority for this Committee has changed since the last meeting and asked the members if there is anything specific that they would like the committee to consider as a legislative proposal. If not, they will dedicate a good portion of time on this item at their July 8 meeting.

Nancy Brown stated that they worked before with Enterprise Communities because of the crisis. They will be redirecting their energy to work with the Housing Coalition, and they may have some ideas in addition to what we may have here with our groups to consider.

Julia Ratti reminded the Committee that the bill draft is due September 1 and so if anyone is looking for a bill draft to be sponsored to make a recommendation to this committee for a bill draft to please have that information in July. The Committee should consider this the official call for proposals. If an audience member or a committee member has a concept for a bill draft for this Committee to consider as their bill draft to please submit it to the Committee by June 20. One thing the committee should be thinking about is if there are any changes that should be made to the low income housing tax credit program to make sure that it survives the recession.

8. Staff Updates (For Discussion)

Staff had no additional comments.

9. Committee Member Comments

Committee members had no additional comments.

10. Agenda Items for Next Meeting (For Discussion)

Julia Ratti stated that a future agenda item should be the Housing Coalition as a standing item.

11. Public Comment

Kristin Cooper with Clark County Social Services stated that she is the Chairperson for what is being called the Recovery Framework for Clark County or RSF4. This is through the multi-agency coordination center. RSF4 will be representatives from each of the jurisdictions that receive home funds. It will also include the Southern Nevada Regional Housing Authority, and the Nevada Housing Coalition and Jake LaRow at the Nevada Housing Division have also been invited to participate. They will be looking at housing recovery moving forward making sure that they have everything they need to assist owners and homeless. They will be having their first meeting on Wednesday. They will be getting information out to the community so that people know what is going on and as they move forward, they may invite other people to participate for meeting the needs of the community as we move toward recovery on housing.

Julia Ratti asked Kristin if she would be interested in making a presentation at the July meeting to share what their committee process has been like and Kristin agreed.

Steve Aichroth stated that RSF4 for the State has been heavily engaged in disaster planning for the past two years and that is one of the reasons that the Edison and Mill project was able to get up and going as quickly as it did because of their involvement in disaster recovery planning. They will continue to work for that and to that.

Eric Novak stated that the Bureau of Land Management has started a monthly call to coordinate applications for making land available under 7B for affordable housing. 7B is available to the whole state of Nevada. Any BLM land can be nominated for affordable housing, as it happens it has just been used in southern Nevada, but it is available to the entire state. Contact Eric if anyone would like more information on the calls.

The policy committee for the Nevada Housing Coalition has started meeting and will have some bill draft requests and suggestions. Some of the things they have been discussing is that they do not think it is a good timing to change the way that the property tax exemption is arrived at in Nevada right now. Some of the ideas that they have been talking about are extending the state housing tax credit and pushing it out so that it does not get eliminated altogether. They have been looking at local notification for developers who are opting out of the tax credit programs so that local governments have the opportunity to respond if a developer makes a request to the Housing Division to opt out of the tax credit program that there is a process whereby local governments have to be notified and that they have the ability then to decide whether this is something we want to keep or not and put together resources to preserve it if it is something that is worth preserving. Perhaps putting more teeth into the qualified contract process so it makes it more difficult to developers for our owners to opt out of the program. Another would be finding ways to create true supportive housing, mining resources from the Department of Health and Human Services.

Julia Ratti expressed her gratitude to everyone who leaned in and helped to get the Housing Coalition going again.

12. Adjournment

Julia Ratti adjourned the meeting at 10:32 a.m.