



DEPARTMENT OF BUSINESS AND INDUSTRY  
OFFICE OF THE DIRECTOR

MINUTES of the PUBLIC MEETING of the  
ADVISORY COMMITTEE ON HOUSING

Tuesday, August 2, 2022 @ 1:00 PM

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Sandra Jauregui  
Fred Haron  
Bill Thomas  
Dagny Stapleton

Bill Brewer  
Brooke Page  
Hilary Lopez

**COMMITTEE MEMBERS ABSENT:**

Eric Novak

Audra Hamernik

**OTHERS PRESENT:**

Stephen Aichroth, NV Housing Division  
Robert Shaw, NV Housing Division  
Sandra Nunnelee, NV Business and Industry  
Kanani Espinoza, Rowe Law Group  
Kathleen Taylor

Michael Holliday, NV Housing Division  
Christine Hess, NV Housing Coalition  
Zoe Houghton  
Omar De La Rosa  
Sarah Adler

**1. Call to Order and Roll Call**

Meeting was called to order at 1:04PM.

**2. Public Comment**

There was no public comment.

Assemblywoman Jauregui moved agenda Item 8 to be heard after agenda Item 10.  
Administrator Aichroth introduced the newest members of the Committee, Dr. Hilary Lopez,  
Dagny Stapleton and Bill Thomas.

**3. Election of Vice Chair (For Possible Action)**

Member Thomas nominated Member Stapleton for the position of Vice-Chair. Member Lopez  
seconded the motion. Motion was passed.

**4. Approval of the May 31, 2022, meeting minutes (For Possible Action)**

Member Haron made a motion to approve the minutes as presented. Member Page seconded the motion. Motion was passed.

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

Homeowner Assistance Update

**Stephen Aichroth** - The state has \$109 million to assist with mortgage delinquency, monthly mortgage payments, and other mortgage related expenses such as property taxes, homeowner association dues, and homeowner's insurance. This program is being run through a non-profit organization called Nevada Affordable Housing Assistance Corporation (NAHAC). They have their full allotment of funds.

In the first quarter, they had approximately 2,200 applicants, 540 of which were processed through, 659 who voluntarily pulled out of the program for an incomplete application, or their mortgage servicer provided some foreclosure relief. There were 14 denials.

Not a lot of money has been moved in this program. This creates a safety net should our economy turn. There were some other programs that we've surveyed nationally where they've seen the need in energy assistance and have been paying utility bills because a mortgage servicer does not cover those needs. They may be getting some relief from their mortgage servicer, but they're not getting relief from their utilities. We will have a discussion with NAHAC and see if that is occurring in their program.

Rental Assistance Update

Statewide, 96% of ERA1 funds have been expended as of May 31 with some funds having been expended in June. 87% of the state funds have been expended, and the expiration of these funds is this September. We are working to ensure that all the funding gets allocated by September 30. The state received an additional \$1.4 million in ERA1 assistance. These funds expire in December.

46% of all ERA2 funds have been expended. New guidance came out from Treasury last week, which indicated that the last 25% of ERA2 funds can be used for other purposes. Nevada is using ERA2 funds rapidly so this caveat may not apply. There appears to be enough rental assistance to provide services in Clark County through the end of the year.

Our ERA1 expenditure ratio is 13<sup>th</sup> in the nation and our ERA2 expenditure ratio is 17<sup>th</sup> in the nation. Nevada Rural Housing Authority, Reno Housing Authority, and Clark County Social Services administers those funds.

A question and answer period ensued.

**6. Update of State Affordable Housing Tax Credits (For Discussion and Possible Action)**

**Michael Holliday** - The division has awarded two projects; Decatur and Alta which closed without the state tax credits because of the timing of the deal. The second one is the Ridge at Sun Valley in Washoe County. This is still in progress and will close soon. They have an application for the Home Means Nevada Initiative, which needs funding, so they are waiting for that process to finish.

We have \$10 million left that we can allocate in 2022. The syndicator, Stonehenge Capital, came in with a price of .90¢ cents on the dollar.

**Steve Aichroth** - We anticipate that we will have to couple this with some of the Home Means Nevada projects, that are potentially on board.

A question-and-answer period ensued.

## **7. Potential American Rescue Plan Funding for Housing (For Discussion)**

**Steve Aichroth** – This is what we've been working on for the last few months. Some significant changes occurred last week. Treasury guidance came out regarding how these funds could be used in affordable housing. Treasury has created an eight page how to guide, and also cleared up their FAQ's.

This will create different alternative opportunities for the State to look at than what we had previously established in the Home Means Nevada funds. We have a meeting scheduled with the Governor's Finance Office (GFO), and potentially will be doing some changes to the application, and then also more specifically to the way this funding potentially will be utilized.

Everybody who has applied through the new Development and Preservation category should have received an e-mail earlier today letting them know that because of these changes we have extended the application submission date for an additional two weeks to April 26. If we make significant changes in the program, we will have another question-and-answer session, which will likely happen next week. We just need to get direction from the Governor's Office and Governor's Finance Office as to how they want these funds to be utilized.

This will delay the applicants' ability to provide financial information because some changes might occur, based on whether it's going to be a grant structure, a loan structure, or both. We believe this will give us added flexibility. If some changes occur, it will benefit tax credit type projects. We need everyone's buy in on how they want the funds to be used.

A question-and-answer period ensued.

## **8. Nevada Housing Coalition Report (For Discussion)**

Mendy Elliott on behalf of the Nevada Housing Coalition (NHC).

Christine Hess submitted to the committee prior to this meeting a list of affordable housing priorities for consideration as Bill Draft Requests (BDR) by the Advisory Committee on Housing.

The NHC Policy Committee and Board of Directors have worked diligently this year to bring an informed list of affordable housing priorities for consideration as bill draft requests. Each BDR option is presented in the order in which NHC hopes the Committee will consider the BDR for action. Additional details are provided for each item with the link to its location within the document that was submitted this morning.

If the committee selects one or more of these to move forward, the NHC Policy Committee is committed to providing information and resources to help in the formal presentation, and any crafting of legal language.

Joining me today, is Omar Delarosa who assisted Ms. Hess in crafting some of the policy. Refer to page two of the document that was submitted this morning, the first item is broken out into three different sections.

Option 1: The first section is affordable housing development and preservation. The number-one priority for the Nevada Housing Coalition is a statewide housing needs assessment, completed on a regional level. It's an important tool to inform decision makers and housing stakeholders of the housing needs across income levels and diverse geographic and economic conditions by establishing a benchmark of our housing needs through a shared methodology:

Local and state agencies can establish meaningful targets and prioritize their affordable housing programs and resources accordingly. Additionally, the needs assessment would identify gaps in tools and funding to advance affordable housing. There would be a fee associated with this bill which is yet to be determined. We will help assist with getting an actual assessment dollar amount prior to the bill being introduced.

Option 2: Modernize the current tax exemption for affordable housing. Modernizing existing statute that allows a property tax exemption for affordable housing development to align with today's actual financing structures, and to include select programs with existing regulatory compliance measures. This would mitigate a barrier and further encourage the construction or rehabilitation of affordable housing units and allow for a more efficient use of all funding sources.

Option 3: Update the flexible funding for a state affordable housing trust fund, commonly known as the Real Property Transfer Tax (RPTT). The RPTT is governed by Nevada Revised Code (NRC) 375 and has been assessed by counties on transfers of real property since 1968. A small portion, .10 cents per \$500 of value, or fraction thereof is distributed to the state housing program for low-income housing. This is one of the most valuable financing tools we have in Nevada, because it has greater flexibility than federal funding sources. Recent news articles highlighting the loss of revenue from the sale of gaming properties the past 15 years have brought up conversations about legislation to revise the existing exemption to close this loophole.

Option 4: Access and Equity. Protect against Source of Income Discrimination. Affordable housing can provide stability and open the door to opportunity, protecting families across Nevada from income discrimination will give more families access to housing that is affordable to them, and the communities that they choose.

Option 5: Renters Insurance Act. The Renter's Insurance Act is a proposal that re-imagines the role that financial and rental history plays in rental applications providing more access for renters

and more security for landlords. We're in the process of developing the language based on the sponsors intent and can provide additional information if the committee decides that this is a bill that they wish to pursue.

Option 6: Supportive housing. Establishing infrastructure as supporting housing accountability. Supportive housing is the permanent housing solution to end homelessness.

Nevada has seen an increase in homelessness across the state, with an unprecedented focus by leadership and resources from the federal government.

Now is the time to be strategic and intentional with the oversight of a diverse group of stakeholders to guide, track, and measure our progress to develop and preserve supportive housing.

A question-and-answer period ensued.

**9. National Alliance on Mental Illness (NAMI) Bill Draft Concept (For Discussion)**  
*(Presentation by Sarah Adler, NAMI NV Policy Specialist)*

As a policy volunteer for the National Alliance on Mental Illness, I bring before you this BDR suggestion.

We propose to create an extremely targeted revenue stream to create additional subsidy for housing for persons at extremely low income which would be very low-income – 40% and below, and for persons needing supportive housing.

We have no objection to housing studies, but we also utilize the Nevada low-income Housing Coalition Gap Report, which indicates where a lot of housing need is.

We are doing a good job of servicing people at 50 to 60% AMI or better. 81% of Nevadans who are at 30%, extremely low income, are paying more than 50% of their income for housing. There are very few rent-assisted, available, and affordable apartments. Only 38 of 100 units needed at 30% AMI whereas 91 of 100 units are available for people at 80% AMI.

The need is extreme at our lower income levels and for supportive housing. When we look at both supportive housing and low-income housing, and the kinds of housing we want to distribute the subsidy to, we see that there's a need for short and medium term, and supportive housing for folks with mental illness or substance addiction. These folks can achieve stability, and eventually enter the workforce and move into less subsidized and less supportive housing. The key point of support housing is that it has intensive case management and appropriate services, readily available.

Permanent, supportive housing is needed for the severely, mentally ill, who are not ever going to be able to live independently. Also in that group are persons with intellectual or developmental disabilities. There are thousands of Nevadans who are sustained by their aging families, and who live in terror of when they can no longer sustain their mentally ill, intellectual, or developmentally disabled family members.

We need more permanent, supportive housing. We need highly subsidized housing for extremely low income, and very low-income folks. They are victims of domestic and sexual violence, and students trying to get an education aging out of foster care. We have many low income and elderly persons with disabilities who are not going to be able to access the workforce and need a housing subsidy.

In supportive housing it needs assistance on the bricks and mortar side, and assistance with project-based vouchers with ongoing rental assistance. There may also be a need for some funding for services.

We're advocating for a targeted revenue stream because we need to create and sustain this housing. We have an experienced and committed set of housing developers in our State. A lot of non-profit developers are really gaining traction and growing. We have an existing tax mechanism, and it's set aside into the Affordable Housing Trust Fund.

We have an existing mechanism in our Qualified Allocation Plan for allocating and leveraging funding. We have a huge deficit in units affordable at 30% and 40% or less.

We have a large, elderly low-income population right now that must choose between rent and medications, between rent and air conditioning or between rent and health care. We need more rent subsidy, to create more affordable rents.

We have encampments that are a deterrent to quality of life and tourism, as well as a horrible quality of life for the chronically homeless, and the temporarily homeless who are living there. We have no more room in our largest mental hospitals in our state, which are the jails and prisons.

We propose a slight increase to the real property transfer tax and allocating that increase into the account for affordable housing, or what is known as the Affordable Housing Trust Fund. Right now it is .10 cents for every \$500 of sales value that goes to the Affordable Housing Trust Fund. This amount was established in 1989, but has not increased since 1989, yet the cost of housing and developing housing has quadrupled.

Our proposal is to increase our property transfer tax that goes to the trust fund, from .10 cents to .25 cents per \$500 sales value. We could talk about .20 cents per \$500 as well. This would create targeted subsidy that could be leveraged into other sources of funding.

**10. Overview on Supportive Housing (For Information Only)**  
*(Presentation by Committee Member Brooke Page)*

Not heard – moved to the next meeting.

**11. Discussion of the drafting of one legislative measure which relates to matters within the scope of the committee. (For Possible Action) – Goes after 10**

**Chair Jauregui:** It's been my understanding since I started the conversations with the Nevada Advisory Committee on Housing that the priority had centered around the option two of the of the Nevada Housing Coalition, which was a way to modernize Nevada's current tax exemption, not necessarily in the format that they presented it, but in modernizing the tax exemption NRS. That is

where my personal comfort level is, because that's the discussions that we've had amongst the committee.

The Nevada Housing Coalition has had some policy conferences in the North and the South, where some of these options have been discussed. Amongst ourselves as a committee, there has been a lot of emphasis on option two, and that's one of the items that we've floated around and seen language for.

What we're voting on today is what our concept is going to be and what we want to focus on. We can simply act that we want our concept of modernizing Nevada's current tax exemption for affordable housing to be our BDR.

If we move forward with a BDR today, my comfort level is only with option two, not necessarily with those exact bullet points, but with that as a concept.

**Member Brewer:** I agree, and I too would like to see the option two move ahead. If you as a legislator are interested in carrying that I would be very supportive and perhaps use the BDR request for something else.

Not interested in option one. That would take time to ask the state for money to be able to pay for it and I'm not sure we've got the accountability piece. I would like to see option three. I know that Nevada Hand has done a lot of work on this proposal. If this committee does not put this forward Nevada Hand will do so.

Clark County has already been implementing option four for a while. This would be a simple thing for us to markup and utilize. It would have a great effect on enabling people to acquire housing without being discriminated against, because they have a voucher or some other form of support. I'd also be interested in doing something with the Renter's Insurance Act. That one's going to need a lot more work in terms of legislative language to get it ready.

**Member Lopez:** I've also been part of conversations around option two. I believe that would have significant impact on our ability to move forward projects in a timely manner, and potentially maximize resources in a way that we're not able to do right now. Regarding option one, the needs assessment is available via other sources that we could look to for some of that data, and that we've already done several needs assessments at numerous times across the state. I'm less supportive of undertaking that type of effort again.

In terms of the property tax exemption and modernizing it, I would like to look at that. I would like to see that and discover if there is a way that we can expand that so that housing authorities could potentially use some of their resources for affordable housing that would be covered under the legislation. The other option is the source of income discrimination. I think that having legislation around that would enable more of our residents to be able to utilize their Housing Choice Vouchers, when they are searching for housing out on the market.

**Member Thomas:** Will only be speaking to option two. In my opinion, all the things that are listed here, this one that has the most promise to change the dynamics of the situation, for the better. We're fighting the marketplace, economy, and everything else trying to get people into housing. This change could be more liberally applied but is not something we have to do now. We

should leave this open on how we use the property tax exemption to encourage more housing stock. We would do ourselves a great benefit by not capping it right away.

I believe you will get a lot more players to provide housing if you open it up. If you tie it to a bunch of other processes, it will prevent people from entering this situation. By the nature of our current situation, we're winnowing down to very few people that will do these projects, and those people only have so many resources, and they can only get so many contractors. It puts us in a worst situation by limiting how many people might respond to this need for housing in a way that benefits the marketplace.

Option two is the right answer. We should do it very open-ended, so we can spend some time on how it could be most effective. Giving the ability to use property tax waivers as a tool for affordable housing is a smart thing to do in my mind.

**Member Page:** I believe the last priority around supportive housing infrastructure, is the one needed in the state. There is a lack of attention and priority around this housing type. We need to prioritize and put a focus on this type of housing.

**Member Heron:** I am in favor of option four. We've had several issues with landlords refusing residents to use their six-day vouchers. If there is any way to mitigate that I will support the effort. I am also supportive of option two as well.

Member Thomas made a motion that the Nevada Advisory Committee on Housing submit a request to work on a BDR which will deal with modernizing Nevada's current tax exemption for affordable housing. Seconded by Vice-Chair Stapleton. Member Page voted nay. All other members voted yea. Motion passed.

## **12. Staff Updates (For Discussion)**

In deference to time no report was given.

## **13. Committee Member Comments**

No comments were made.

## **14. Agenda Items for Next Meeting (For Discussion)**

BDR details need to be in by the third Wednesday of November. Housing Division to send out a doodle poll to determine when the next meeting will be. Member Brooke will be speaking about supportive housing at the next meeting.

## **15. Public Comment**

Mendy Elliot, on behalf of Nevada Housing Coalition. We thank you and look forward to working with you as language is developed with the Chair and with the committee to make sure that we meet everyone's expectations before the bill is introduced.

**16. Adjournment**

Meeting adjourned at 2:57PM.