



NEVADA LEGISLATURE COMMITTEE TO STUDY ISSUES REGARDING AFFORDABLE HOUSING

(Senate Concurrent Resolution 1 [File 40, *Statutes of Nevada 2017*])

SUMMARY MINUTES

The third meeting of the Committee to Study Issues Regarding Affordable Housing for the 2017–2018 Interim was held on Tuesday, May 15, 2018, at 9 a.m. in Room 3138, Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

The agenda, minutes, meeting materials, and audio or video recording of the meeting are available on the Committee's meeting page. The audio or video recording may also be found at <http://www.leg.state.nv.us/Granicus/>. Copies of the audio or video record can be obtained through the Publications Office of the Legislative Counsel Bureau (LCB) (publications@lcb.state.nv.us or 775/684-6835).

COMMITTEE MEMBER PRESENT IN CARSON CITY:

Senator Julia Ratti, Chair

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman Tyrone Thompson, Vice Chair
Senator Yvanna D. Cancela
Assemblyman Edgar R. Flores
Assemblywoman Sandra Jauregui

COMMITTEE MEMBER ABSENT:

Senator Ben Kieckhefer

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Diane C. Thornton, Principal Policy Analyst, Research Division
Russell Guindon, Principal Fiscal Deputy Analyst, Fiscal Division
Asher A. Killian, Principal Deputy Legislative Counsel, Legal Division
Natalie J. Pieretti, Research Policy Assistant, Research Division
Jan Brase, Receptionist/Research Policy Assistant, Research Division

Items taken out of sequence during the meeting have been placed in agenda order.

AGENDA ITEM I—OPENING REMARKS

Chair Ratti welcomed the members and public to the third meeting of the Committee to Study Issues Regarding Affordable Housing (AH).

AGENDA ITEM II—PUBLIC COMMENT

John Zager, Nevadans for the Common Good, stressed a key issue for the Committee to address is the AH waiting list and noted the effects on residents below the median income. He encouraged the Committee to recommend comprehensive and robust solutions that include a reliable funding mechanism and opportunities for independence and family sustainability.

AGENDA ITEM III—APPROVAL OF MINUTES OF THE MEETING HELD ON MARCH 13, 2018

MOTION: Vice Chair Thompson moved to approve the minutes of the meeting held on March 13, 2018. The motion was seconded by Assemblyman Flores and passed.

AGENDA ITEM IV—UPDATE ON FEDERAL LEGISLATION

- A. The Passage of [H.R. 1](#) (Tax Cuts and Jobs Act of 2017), 115th Congress, and Its Effect on the Low-Income Housing Credit*
- B. The Passage of [H.R. 1625](#) (Consolidated Appropriations Act of 2018), 115th Congress, and Its Effect on Low-Income Housing*
- C. [S. 548](#) (Affordable Housing Credit Improvement Act of 2017), 115th Congress, Sponsored by Sens. Maria Cantwell (D-Wash.) and Orrin G. Hatch (R-Utah)*

Stephen Aichroth, Administrator, Nevada's Housing Division (NHD), Department of Business and Industry (B&I), provided an update on the following legislation and programs: (1) the passage of the Tax Cuts and Jobs Act of 2017; (2) the passage of the Omnibus Spending Bill Consolidated Appropriations Act of 2018; (3) key programs; (4) the Affordable Housing Credit Improvement Act of 2017 (Cantwell-Hatch); and (5) bond financing. ([Agenda Item IV](#))

Members and Mr. Aichroth discussed support for the Cantwell-Hatch bill and Congressional delegation assistance.

AGENDA ITEM V—UPDATE FROM AFFORDABLE HOUSING STAKEHOLDER WORKING GROUPS

A. Data Working Group—Recommendations to Improve the Statewide Housing Database

Stephen Aichroth, Administrator, NHD, B&I, and Tony Ramirez, Director, Reno Field Office, United States Department of Housing and Urban Development, collaborated in a joint presentation on the working group's progress.

Mr. Aichroth discussed the Low-Income Housing Database (LIHD) and AH dashboard and identified the working group's following recommendations ([Agenda Item V A](#)):

- Eliminate Section 2(f) of *Nevada Revised Statutes* (NRS) 319.143 (LIHD), since the passage of the Violence Against Women Reauthorization Act (VAWRA) of 2013 addresses the issue of unjust termination of Section 8 of the Housing Act of 1937, and there is no state data available to collect;
- Link NRS 278.235 (Annual Housing Progress Report [AHPR]) to NRS 319.143 requiring the jurisdictions which report on the AHPR to cooperate and ensure that the information contained in the AHPR can be efficiently added to the LIHD;
- Amend NRS 319.143 to clarify that the information from the AHPR is a data source used to maintain the LIHD.

Vice Chair Thompson asked for further clarification regarding the request to eliminate Section 2(f).

Elizabeth Fadali, Economist, NHD, B&I, explained that the VAWRA regulations address the issue of domestic violence and victim protection against loss of housing.

Mr. Ramirez joined in the conversation with the members pertaining to the VAWRA legislation and the collection of data issue.

Chair Ratti extended an invitation for the May 31 hearing to the housing authorities to provide the Committee with information on policies and procedures regarding the VAWRA legislation.

Senator Cancela, Mr. Aichroth, Ms. Fadali, and Mr. Ramirez discussed AH access through the NHD's website.

B. Definitions Working Group—Recommended Changes to the Definitions of Affordable Housing in the Nevada Revised Statutes

Stephen Aichroth and Tony Ramirez, both previously identified, appeared in a joint presentation on the working group's recommendations.

Mr. Aichroth reported the working group is recommending amendment to NRS and directed the Committee's attention to the three proposed AH tiers. ([Agenda Item V B](#))

Members, Mr. Ramirez, and Mr. Aichroth agreed the recommendation was one to create structure for local government consistency, as well as the importance of government and community outreach.

Assemblyman Flores and Mr. Killian, previously identified, discussed the Assemblyman's concerns with the recommendation and placement of the AH definition in NRS.

C. Finance Working Group—Proposals for State Funding for Low-Income Housing

David Paull, Director, Real Estate Development, Nevada HAND, discussed: (1) the need for AH units; and (2) Nevada AH production versus need. ([Agenda Item V C-1](#))

Michael Holliday, Chief Financial Officer, NHD, B&I, contributed information on: (1) low-income housing tax credits (LIHTC); (2) capital stack examples of projects using 4 percent and 9 percent LIHTC; and (3) potential avenues for state housing tax credit delivery. ([Agenda Item V C-1](#))

Senator Cancela and Mr. Holliday discussed the tax credit programs.

Russel Guindon, previously identified, outlined for the Committee's consideration the proposed Nevada AH tax credit program structure. ([Agenda Item V C-2](#))

Chair Ratti and Mr. Holliday discussed the transferrable tax credits, and Mr. Holliday said any supplement would increase the number of AH units.

Chair Ratti, Senator Cancela, and Mr. Holliday discussed allocating funds regionally based on need.

D. Local Government Working Group—Recommendations for Local Government Permitting and Entitlement Fees

William A. Thomas, Assistant City Manager, Office of the City Manager, City of Reno, representing the local government working group, discussed incentivizing developers to build AH projects and the challenges that are roadblocks to development. He proposed the solution is to allow local governments to assist AH developments with building fees without having to reimburse from the general fund or without having to borrow and pay back enterprise funds from the general fund. ([Agenda Item V D-1](#)) ([Agenda Item V D-2](#))

Scott F. Gilles, Legislative Relations Program Manager, Office of the City Manager, City of Reno, clarified that the request would be for the local governments to be allowed to discount and subsidize building permits as they deem fit without having to pay back from the general fund.

AGENDA ITEM VI—UPDATE FROM NEVADA’S DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE MEDICAID 1915(i) WAIVER

Julie Kotchevar, Ph.D., Administrator, Division of Public and Behavioral Health (DPBH), Department of Health and Human Services (DHHS), and Deputy Administrator, DHHS, clarified the Medicaid 1915(i) is not a waiver, but an option, and shared an update on the option for supportive housing. She reported states could offer a variety of services under a home- and community-based services (HCBS) benefit, including acute-care medical services and long-term services and support. She said other examples of state options might be to target the HCBS benefit to specific populations, establish separate additional needs-based criteria for individual HCBS, or to establish a new Medicaid eligibility group. ([Agenda Item VI](#))

Dr. Kotchevar addressed: (1) HCBS guidelines; (2) HCBS application and approval process; and (3) Nevada’s current 1915(i). ([Agenda Item VI](#))

Stephanie Woodard, Psy.D., Senior Advisor, DPBH, DHHS, contributed information on: (1) Nevada’s current homeless population; (2) the definition of supportive housing; (3) current supported housing programs; (4) 1915(i) proposal for supportive housing; and (5) supportive housing applied to the homeless population. ([Agenda Item VI](#))

Several members, and Drs. Kotchevar and Woodward conversed on:

- The supportive housing comprehensive system;
- Restrictions related to sobriety and zero tolerance policies under 1915(i);
- The Medicaid 1915(i) waiver; and
- The current homeless population.

AGENDA ITEM VII—PRESENTATION ON THE SOUTHERN NEVADA WORKFORCE HOUSING STUDY

Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND, shared the goal is to add 6,000 units by 2025 to include affordable, workforce, and mixed income developments, as well as preservation of existing affordable assets. He highlighted the following aspects of the workforce housing study: (1) understanding the missing middle; (2) state of low-income housing; (3) leadership, policy, and resources; (4) existing underutilized resources; and (5) resources needed. ([Agenda Item VII A-1](#)) ([Agenda Item VII A-2](#))

Members and Mr. Shohet discussed:

- Affordable housing stock in southern Nevada; and
- Opportunity zones.

Chair Ratti called for input from the public to provide information to herself or the Vice Chair on models that help develop neighborhood-based services.

(This agenda item was taken out of order.)

AGENDA ITEM VIII—UPDATE ON THE NEED FOR TEMPORARY WORKFORCE HOUSING DUE TO ECONOMIC DEVELOPMENT

Daniel Witt, Senior Manager, Business Development and Policy, Tesla Motors, shared his observations of the current workforce status housing availability. He noted due to special event occasions, there has been a shortage of available workforce housing and while the workforce is temporary, he envisions a permanent workforce transition.

Mr. Witt agreed that any kind of substantive increase in temporary workforce could ultimately create a more significant housing shortage, and recognized the growing concern that a dramatic increase could adversely affect vulnerable individuals.

AGENDA ITEM IX—PRESENTATION ON CURRENT HOME OWNERSHIP PROGRAMS AVAILABLE BY THE NEVADA HOUSING DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY

Dwight Pace, Supervisor, Homebuyer Programs, NHD, B&I, outlined the five Home is Possible (HIP) programs available: (1) HIP down payment assistance program; (2) HIP for heroes; (3) HIP for teachers; (4) HIP mortgage credit certificate; and (5) HIP 1500. ([Agenda Item IX A-1](#)) ([Agenda Item IX A-2](#))

Several members and Mr. Pace discussed:

- Available funding;
- Marketing the available programs;
- AH inventory;
- Demographics for HIP down payment program assistance;
- HIP heroes program outreach; and
- Hope for Home Program.

AGENDA ITEM X—PRESENTATION ON PROGRAMS FOR ENTRY-LEVEL HOMES AND ON THE GRANT-FUNDED PROGRAM FOR EDUCATORS AND SCHOOL EMPLOYEES

Nicky Lowy, Head of Engagement, Landed, Inc., offered a presentation on the shared-equity program and U.S. educator housing fund. She described Landed, Inc.'s initiative to run the down payments assistance programs for districts and schools, and reported Landed sets up shared-equity programs to aid educators in obtaining a 20% down payment in exchange for a stake in a home. ([Agenda Item X](#))

There was discussion between members and Ms. Lowy on:

- The number of homes refinanced;
- The median income level for the model to be workable; and
- Companies using similar models.

AGENDA ITEM XI—PRESENTATION ON NEVADA’S HARDEST HIT FUND PROGRAM BY THE NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

Verise V. Campbell, Chief Executive Officer, Chief Operating Officer, Nevada Affordable Housing Assistance Corporation (NAHAC), and Veronica Lewis, Operations Manager, NAHAC, shared a joint presentation on Nevada’s Hardest Hit Fund’s processes, programs, and funding. Topics included: (1) the principal reduction program; (2) the mortgage reinstatement assistance program; (3) the second mortgage reduction program; (4) the unemployment mortgage assistance program; (5) the down payment assistance program; (6) funds dispersed; (7) program funds remaining; and (8) funding 2016–2018. ([Agenda Item XI A-1](#)) ([Agenda Item XI A-2](#)) ([Agenda Item XI A-3](#))

Members, Ms. Campbell, and Ms. Lewis discussed:

- Program funding loss and breakdown information;
- Mediation;
- Program criteria;
- Advertising funds;
- Down payment assistance program; and
- Mapping zip codes according to legislative districts.

AGENDA ITEM XII—DISCUSSION OF FUTURE TOPICS

Chair Ratti announced the next meeting for May 31, 2018, at 1 p.m., and encouraged individuals to reach out to committee members on important AH topics.

The Chair and members discussed agenda topics for the May 31 meeting.

AGENDA ITEM XIII—PUBLIC COMMENT

Mary Jane Ostrander, Division Manager, Human Services, Carson City Health and Human Services, and Chair, Rural Nevada Continuum of Care, supported the NHD's proposed tier system. ([Agenda Item V B](#)) She said the counties are in discussion regarding the Medicaid 1915(i) waiver and requested a statewide Medicaid coordinator to assist with billing and payment processes.

AGENDA ITEM XIV—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

Natalie J. Pieretti
Research Policy Assistant

Diane C. Thornton
Principal Policy Analyst

APPROVED BY:

Senator Julia Ratti, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	WITNESS/ENTITY	DESCRIPTION
<u>Agenda Item IV</u>	Stephen Aichroth, Administrator, Nevada's Housing Division (NHD), Department of Business and Industry (B&I)	Microsoft PowerPoint Presentation
<u>Agenda Item V A</u>	Stephen Aichroth, Administrator, NHD, B&I, and Tony Ramirez, Director, Reno Field Office, United States Department of Housing and Urban Development	Microsoft PowerPoint Presentation
<u>Agenda Item V B</u>	Stephen Aichroth, Administrator, NHD, B&I, and Tony Ramirez, Director, Reno Field Office, United States Department of Housing and Urban Development	Microsoft PowerPoint Presentation
<u>Agenda Item V C-1</u>	David Paull, Director, Real Estate Development, Nevada HAND	Microsoft PowerPoint Presentation
<u>Agenda Item V C-2</u>	Russell Guindon, Principal Fiscal Deputy Analyst, Fiscal Division, Legislative Counsel Bureau	Handout
<u>Agenda Item V D-1</u>	William A. Thomas, Assistant City Manager, Office of the City Manager, City of Reno	Microsoft PowerPoint Presentation
<u>Agenda Item V D-2</u>	William A. Thomas, Assistant City Manager, Office of the City Manager, City of Reno	Handout
<u>Agenda Item VI</u>	Julie Kotchevar, Ph.D., Administrator, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), and Deputy Administrator, DHHS	Microsoft PowerPoint Presentation
<u>Agenda Item VII A-1</u>	Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND	Microsoft PowerPoint Presentation
<u>Agenda Item VII A-2</u>	Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND	GAP Report
<u>Agenda Item IX A-1</u>	Dwight Pace, Supervisor, Homebuyer Programs, NHD, B&I	Microsoft PowerPoint Presentation
<u>Agenda Item IX A-2</u>	Dwight Pace, Supervisor, Homebuyer Programs, NHD, B&I	Handout

Agenda Item X	Nicky Lowy, Head of Engagement, Landed, Inc.	Microsoft PowerPoint Presentation
Agenda Item XI A-1	Verise V. Campbell, Chief Executive Officer (CEO), Chief Operating Officer (COO), Nevada Affordable Housing Assistance Corporation (NAHAC), and Veronica Lewis, Operations Manager, NAHAC	Microsoft PowerPoint Presentation
Agenda Item XI A-2	Verise V. Campbell, CEO, COO, NAHAC and Veronica Lewis, Operations Manager, NAHAC	Handout
Agenda Item XI A-3	Verise V. Campbell, CEO, COO, NAHAC and Veronica Lewis, Operations Manager, NAHAC	Handout

The Summary Minutes are supplied as an informational service. Copies of all meeting materials are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or (775) 684-6827.