



NEVADA LEGISLATURE COMMITTEE TO STUDY ISSUES REGARDING AFFORDABLE HOUSING

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

SUMMARY MINUTES

The fourth and final meeting of the Committee to Study Issues Regarding Affordable Housing for the 2017–2018 Interim was held on Thursday, May 31, 2018, at 1 p.m. in Room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3137, Legislative Building, 401 South Carson Street, Carson City, 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 <https://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 MEMBERS PRESENT IN LAS VEGAS:

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

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

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

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

AGENDA ITEM I—OPENING REMARKS OR CALL TO ORDER

Chair Ratti welcomes the members and public and called the Committee to Study Issues Regarding Affordable Housing (AH) meeting to order.

AGENDA ITEM II—PUBLIC COMMENT

The following commenters supported the Medicaid 1915(i) State Plan Option and/or the creation of an affordable housing tax credit program recommendation contained in the Committee's work session document ([Agenda Item VII](#)) (WSD):

- Charles Duarte, Chief Executive Officer, Community Health Alliance, and Chair, Washoe Regional Behavioral Health Policy Board ([Agenda Item II A](#));
- David Frazier, private citizen;
- Jane Gruner, Washoe County Senior Coalition ([Agenda Item II B](#));
- Connie McMullen, Washoe County Senior Coalition;
- Greg Horton, private citizen;
- Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND ([Agenda Item II C-1](#)) ([Agenda Item II C-2](#));
- Leo Murrieta, Executive Director, Make the Road Nevada (MRN);
- Bianca Balderas, member, MRN;
- Bailey Bortolin, Policy Director, Statewide Legal Services Coalition ([Agenda Item VII](#)) (Tab H, WSD);
- George Gekakis, George Gekakis, Inc.;
- Kevin Sigstad, Nevada REALTORS ([Agenda Item II D](#));
- Kathy Clewett, Legislative Liaison, City of Sparks;
- Marsy Kupfersmith, private citizen;
- Reverend Karen Foster, Minister, Unitarian Universalist Fellowship of Northern Nevada;
- Lynn Gondorcin, The Empowerment Center;

- Genaro Marcial Lorza, member, MRN;
- Monica Ramirez, member, MRN;
- Reverend Dr. Ralph E. Williamson, Senior Pastor, First African Methodist Episcopal Church;
- Alan Molasky, Chief Executive Officer (CEO), Ovation Development Corp.;
- Jose Macias, member, MRN;
- Sarah Adler, National Alliance on Mental Illness;
- Eric Novak, President, Praxis Consulting Group, LLC ([Agenda Item II E](#));
- Janette Mata, Communications Director, MRN;
- Written comments from Steve Fraser, Sparks resident, was submitted for the Committee's consideration ([Agenda Item II F](#)); and
- Written comments from Stephen Vander Schaaf, President/CEO, Accessible Space, Inc. ([Agenda Item II G](#)).

The following individuals provided general commentary or were heard in support of the WSD recommendations:

- Wes Henderson, Executive Director, Nevada League of Cities and Municipalities;
- Scott F. Gilles, Legislative Relations Program Manager, Office of the City Manager, City of Reno;
- Kelly Martinez Crompton, Government Affairs Officer, City of Las Vegas;
- Jamie Rodriguez, Management Analyst, Government Affairs, Washoe County;
- Peter Krueger, Capitol Partners, representing City of Fernley;
- Sharon Zadra, Executive Director, Truckee Meadows Healthy Communities;
- Sarah Adler, Nevada Coalition to End Domestic and Sexual Violence; and
- Joshua J. Hicks, Government Affairs and Advocacy Group, McDonald Carano, Nevada Homeowners Association ([Agenda Item VII](#)) (Tab G, WSD).

AGENDA ITEM III—PRESENTATION ON COMMUNITY LAND TRUST

Scott Gilles, previously identified; William A. Thomas, Assistant City Manager, Office of the City Manager, City of Reno; and Jim Pfrommer, Board Chair, Community Foundation of Western Nevada, gave a joint presentation on the following topics: (1) community land trusts; (2) preserving affordability; (3) supply and demand; (4) supply side factors include land, material, and government fees; (5) projects; and (6) goals. ([Agenda Item III A-1](#)) ([Agenda Item III A-2](#))

There was discussion between members and Messrs. Thomas and Pfrommer regarding:

- Homeowner and land financing;
- Property taxes;
- Retention of land by nonprofit organization;
- Land transfer provision;
- Appreciation percentage for when the homeowner sells;
- Transfer of individual units;
- Donations of parcels; and
- Tax credits.

AGENDA ITEM IV—DISCUSSION OF AFFORDABLE HOUSING THROUGH INCLUSIONARY ZONING: THE MARYLAND MODEL

Dr. Margaret McFarland, Commissioner, Housing Opportunities Commission, Colvin Institute of Real Estate Development, University of Maryland, discussed objectives, parameters, and implementation mechanisms for inclusionary zoning. ([Agenda Item IV A-1](#)) ([Agenda Item IV A-2](#)) ([Agenda Item IV A-3](#))

AGENDA ITEM V—PRESENTATION BY NEVADA’S HOUSING AUTHORITIES:

A. Overview of H.R. 3402 (Violence Against Women and Department of Justice Reauthorization Act of 2005) and S.47 (Violence Against Women Reauthorization Act of 2013 [VAWA]) Housing Protections for Survivors of Domestic Violence, Dating Violence, Sexual Assault, and Stalking in Federally Assisted Housing Programs

Frank E. Stafford, Acting Director, Modernization and Development, Southern Nevada Regional Housing Authority (SNRHA), outlined SNRHA’s procedures and housing protections pursuant to VAWA. ([Agenda Item V](#))

Bill Brewer, Deputy Director, Nevada Rural Housing Authority, contributed data collection information is not required under federal law.

Members and Messrs. Stafford and Brewer discussed:

- Lack of data collection;
- Evictions;
- Appeal process; and
- Emergency housing transfers under VAWA.

B. Discussion of the Status of Housing Wait Lists in Nevada

Mr. Stafford next turned his presentation toward the topic of housing wait lists status. ([Agenda Item V](#))

Chair Ratti and Mr. Stafford discussed state funding and additional AH.

C. Discussion of Nevada’s Housing Authorities’ Policies on Tenants With a Criminal History

Mr. Stafford discussed individuals who are barred from obtaining AH. ([Agenda Item V](#))

Vice Chair Thompson and Messrs. Stafford and Brewer discussed appropriate governing regulations barring certain individuals.

Mr. Brewer added that under federal regulations, housing authorities do not have flexibility in deciding what individuals with a criminal history are barred from AH.

Mr. Stafford offered to provide further information on the governing regulation authority on AH eligibility for tenants with a criminal history.

Chair Ratti requested LCB legal counsel research the federal citation for the regulations and report back to the Committee.

Assemblyman Flores and Mr. Stafford discussed the prohibition for legalized marijuana possession.

AGENDA ITEM VI—PRESENTATION OF THE DASHBOARD OF NEVADA’S HOUSING DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY

Elizabeth Fadali, Economist, Nevada’s Housing Division (NHD), Department of Business and Industry, shared indicators, market analysis, measurable goals, new housing programs, and the implementation of the NHD’s dashboard for low income housing. ([Agenda Item VI A-1](#)) ([Agenda Item VI A-2](#))

AGENDA ITEM VII—WORK SESSION—DISCUSSION AND POSSIBLE ACTIONS ON RECOMMENDATIONS RELATING TO:
([Agenda Item VII](#))

A. Definitions of Affordable Housing

Diane Thornton, previously identified, reviewed Recommendation No. 1 to draft legislation to revise certain definitions of AH to provide consistency within *Nevada Revised Statutes* (NRS). ([Agenda Item VII](#)) (Tab A WSD)

MOTION: Senator Kieckhefer moved to approve the drafting of legislation to revise certain definitions of AH to provide consistency within NRS. The motion was seconded by Assemblyman Jauregui and passed unanimously.

B. Housing Data Collection

Diane Thornton, previously identified, reviewed Recommendation No. 2 to draft legislation linking NRS 278.235 (Annual Housing Progress Report) to NRS 319.143 (Low-Income Housing Database) to clarify the connection between the two sections and support current practices of the NHD and local governments. ([Agenda Item VII](#)) (Tab B, WSD)

MOTION: Vice Chair Thompson moved to approve drafting legislation linking NRS 278.235 (Annual Housing Progress Report) to NRS 319.143 (Low-Income Housing Database) to clarify the connection between the two sections and support current practices of the NHD and local governments. The motion was seconded by Assemblyman Flores and passed unanimously.

Diane Thornton, previously identified, reviewed Recommendation No. 3 to change certain housing data to be collected by deleting Section 2(f) of NRS 319.143, which was rendered redundant with the passage of the Violence Against Women Reauthorization Act of 2013. This federal law specifically addresses the issue of unjust terminations of Section 8 of the Housing Act of 1937, hence there is no state data available to collect. ([Agenda Item VII](#)) (Tab C, WSD)

Vice Chair Thompson requested that no action be taken on the recommendation without further clarity from the housing authorities on the subject of data collection regulations.

Chair Ratti consulted the Committee members who agreed with the request, and declared no action be taken on the recommendation.

C. Local Government Development Fees

Diane Thornton, previously identified, reviewed Recommendation No. 4 to amend NRS 278.235 to enable local governments to assist affordable housing developments by allowing them to reduce or subsidize building fees, impact fees, and/or enterprise fees without having to be reimbursed from the general fund (GF) or without having to borrow and pay back enterprise funds from the GF. ([Agenda Item VII](#)) (Tab D, WSD)

Senator Kieckhefer supported the recommendation with inclusionary language requiring a public forum where an assessment would determine how rates are affected.

MOTION: Senator Kieckhefer moved to amend NRS 278.235 to enable local governments to assist affordable housing developments by allowing them to reduce or subsidize building fees, impact fees, and/or enterprise fees without having to be reimbursed from the general fund (GF) or without having to borrow and pay back enterprise funds from the GF with inclusionary language requiring a public forum where an assessment would determine how rates are affected. The motion was seconded by Vice Chair Thompson and passed unanimously.

D. Supportive Housing

Diane Thornton, previously identified, reviewed Recommendation No. 5 to draft legislation directing Nevada's Department of Health and Human Services (DHHS) to expand the Medicaid 1915(i) State Plan Option. This would allow Nevada to offer a variety of services under a state plan for home and community-based services benefit that would facilitate housing as healthcare. ([Agenda Item VII](#)) (Tab E, WSD)

Senator Kieckhefer expressed his concerns with the lack of specificity contained within the recommendation.

Chair Ratti commented she would like to see the recommendation move forward with direction to the DHHS to continue to work on the recommendation, and further pledged to work with the DHHS on this issue.

MOTION: Vice Chair Thompson moved to draft legislation directing the DHHS to expand the Medicaid 1915(i) State Plan Option. The motion was seconded by Assemblywoman Jauregui and passed unanimously.

Chair Ratti clarified under Recommendation No. 4 that the GF fund reference pertains to the local GF with the intent that the county or city GF is not affected.

E. Financing for Affordable Housing

Diane Thornton, previously identified, reviewed Recommendation No. 6 to draft legislation to create a Nevada affordable housing tax credit program to encourage the development and preservation of low-income residential housing projects statewide. She noted the proposed program is a 4-year pilot program, which authorizes up to \$10 million of transferrable tax credits per fiscal year, not to exceed a total of \$40 million, to be administered by the NHD. ([Agenda Item VII](#)) (Tab F, WSD)

MOTION: Senator Kieckhefer moved to draft legislation to create a Nevada affordable housing tax credit program to encourage the development and preservation of low-income residential housing projects statewide. The motion was seconded by Senator Cancela and passed unanimously.

Diane Thornton, previously identified, reviewed Recommendation No. 7 to send a letter to Nevada's Congressional Delegation advocating for the support and passage of S.548/H.R. 1661 (The Affordable Housing Credit Improvement Act of 2017), 115th Congress also known as the Cantwell-Hatch Act, introduced by Sens. Maria Cantwell (D-Wash.) and Orrin G. Hatch (R-Utah).

MOTION: Assemblywoman Jauregui moved to send a letter to Nevada's Congressional Delegation advocating for the support and passage of S.548/H.R. 1661 (The Affordable Housing Credit Improvement Act of 2017), 115th Congress also known as the Cantwell-Hatch Act, introduced by Sens. Maria Cantwell (D-Wash.) and Orrin G. Hatch (R-Utah). The motion was seconded by Senator Cancela and passed unanimously.

F. Inclusionary Zoning

Diane Thornton, previously identified, reviewed Recommendation No. 8 to include a statement in the Committee's final report that, as a result of the enactment of Senate Bill 29 (Chapter 416, *Statutes of Nevada*) and Assembly Bill 493 (Chapter 465, *Statutes of Nevada*) by the 2015 Legislature, cities and counties have been given considerably more authority to exercise powers with regard to matters of local concern. Since the creation and support of affordable housing would generally satisfy the statutory definition of a "matter of local concern," a city or county would be empowered by these bills to take action relating to this issue even without additional explicit statutory authorization unless the Legislature otherwise acts to limit the powers of the city or county. As a result, since there are no apparent statutory provisions prohibiting the use of inclusionary zoning by a city or county, a city or county has the authority under existing law to use inclusionary zoning as a method of creating and supporting affordable housing

Asher A. Killian, previously identified, provided further explanation of the necessity of enabling legislation for local governments to engage in the use of inclusionary zoning tools. He pointed to existing provisions of law under NRS 278.235 that enable local governments to use tools for inclusionary zoning such as expedited approval of applications and certain financial and other incentives for density and other issues with AH. He discussed the provisions of SB 29 and AB 493.

Concluding, he reported that inclusionary zoning would be a method of encouraging AH that would be a matter of local concern and only apply within the jurisdiction of a particular local government, and as such, with the passage of SB 29 and AB 493, local governments would be authorized this power under existing law without the necessity of any sort of enabling legislation at a state level. He said that should the Committee or legislative body wanted to act, legislation could be proposed that would detail or limit how inclusionary zoning could be used.

Senator Kieckhefer voiced objection to include a statement within the Committee report.

Chair Ratti declared no action would be taken on this recommendation.

Responses From the Committee's Solicitation of Recommendations

Diane Thornton, previously identified, reviewed Recommendation No. 9 to include a statement in the final report supporting the comments that were submitted in a letter to the Committee encouraging urban land development, transit-oriented development, comprehensive planning, workforce training, flexibility on permitting and enterprise fund fees, and opposing federal tariffs on construction material. ([Agenda Item VII](#)) (Tab G, WSD)

MOTION: Assemblyman Flores moved to include a statement in the final report supporting the comments that were submitted in a letter to the Committee encouraging urban land development, transit-oriented development, comprehensive planning, workforce training, flexibility on permitting and enterprise fund fees, and opposing federal tariffs on construction material. The motion was seconded by Assemblywoman Jauregui and passed unanimously.

Diane Thornton, previously identified, reviewed Recommendation No. 10 to draft legislation or include a statement in the final report supporting the strengthening of consumer protections for tenants, including, without limitation, allowing additional time for tenants to locate new housing in the case of an eviction or a displacement due to rising rents, to help in mitigating the affordable housing crisis in Nevada. ([Agenda Item VII](#)) (Tab H, WSD)

Bailey Bortolin, previously identified, was invited to the table and clarified the intent of the letter, and commented an option to protect tenants is to extend the time for a notice of eviction.

Chair Ratti and Vice Chair Thompson discussed options to extend tenant protection.

MOTION: Vice Chair Thompson moved to include a statement in the final report supporting the strengthening of consumer protections for tenants, including, without limitation, allowing additional time for tenants to locate new housing in the case of an eviction or a displacement due to rising rents, to help in mitigating the affordable housing crisis in Nevada. The motion was seconded by Assemblyman Flores.

Senator Kieckhefer asked for clarification on the content of the statement.

Chair Ratti explained the statement contained in the letter asks the committee to add additional safeguards in the form of tenant consumer protection. ([Agenda Item VII](#)) (Tab H, WSD)

The previous motion by Vice Chair Thompson and seconded by Assemblyman Flores passed unanimously.

Chair Ratti elicited additional input from Committee members, and acknowledged the suggestion by Senator Cancela at the May 15, 2018, meeting regarding hosting platforms on the impacts of Airbnb, Inc. and Home Away to the number of available housing units was determined not ready for discussion.

Assemblywoman Jauregui reported she is working with legal counsel for clarifying language regarding foreclosures in [SB 490](#) from the 2017 Legislative Session.

AGENDA ITEM VII—PUBLIC COMMENT

Chair Ratti called for public comment; however, no testimony was presented.

AGENDA ITEM XIV—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 4:21 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 | PRESENTER/ENTITY | DESCRIPTION |
|--|---|-----------------------------------|
| <u>Agenda Item II A</u> | Charles Duarte, Chief Executive Officer, Community Health Alliance, and Chair, Washoe Regional Behavioral Health Policy Board | Written Comments |
| <u>Agenda Item II B</u> | Jane Gruner, Washoe County Senior Coalition | Written Comments |
| <u>Agenda Item II C-1</u> | Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND | Letter |
| <u>Agenda Item II C-2</u> | Michael Shohet, Executive Vice President, Real Estate Development, Nevada HAND | Recommendations |
| <u>Agenda Item II D</u> | Kevin Sigstad, Nevada REALTORS | Written Comments |
| <u>Agenda Item II E</u> | Eric Novak, President, Praxis Consulting Group, LLC | Written Comments |
| <u>Agenda Item II F</u> | Steve Fraser, Sparks resident | Written Comments |
| <u>Agenda Item II G</u> | Stephen Vander Schaaf, President/CEO, Accessible Space, Inc. | Written Comments |
| <u>Agenda Item III A-1</u> | Scott F. Gilles, Legislative Relations Program Manager, Office of the City Manager, City of Reno | Microsoft PowerPoint Presentation |
| <u>Agenda Item III A-2</u> | Scott F. Gilles, Legislative Relations Program Manager, Office of the City Manager, City of Reno | Handout |
| <u>Agenda Item IV A-1</u> | Dr. Margaret McFarland, Commissioner, Housing Opportunities Commission, University of Maryland, Colvin Institute of Real Estate Development | Curriculum Vitae |
| <u>Agenda Item IV A-2</u> | Dr. Margaret McFarland, Commissioner, Housing Opportunities Commission, University of Maryland, Colvin Institute of Real Estate Development | Microsoft PowerPoint Presentation |
| <u>Agenda Item IV A-3</u> | Dr. Margaret McFarland, Commissioner, Housing Opportunities Commission, University of Maryland, Colvin Institute of Real Estate Development | Handout |
| <u>Agenda Item V</u> | Frank E. Stafford, Acting Director, Modernization and Development, Southern Nevada Regional Housing Authority | Microsoft PowerPoint Presentation |
| <u>Agenda Item VI A-1</u> | Elizabeth Fadali, Economist, Nevada's Housing Division, (NHD) Department of Business and Industry (DBI) | Microsoft PowerPoint Presentation |
| <u>Agenda Item VI A-2</u> | Elizabeth Fadali, Economist, NHD, DBI | Dashboard |

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| Agenda Item VII | Work Session Document | Diane C. Thornton, Principal Policy Analyst, Legislative Counsel Bureau, Research Division |
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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.