



NEVADA LEGISLATURE JOINT INTERIM STANDING COMMITTEE ON COMMERCE AND LABOR

(Nevada Revised Statutes [NRS] 218E.320)

MINUTES

February 29, 2024

The second meeting of the Joint Interim Standing Committee on Commerce and Labor for the 2023–2024 Interim was held on Thursday, February 29, 2024, at 9:30 a.m. in Room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3138, 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/Video/>. 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 Pat Spearman, Chair
Assemblywoman Elaine Marzola, Vice Chair
Senator Roberta Lange
Senator Jeff Stone
Assemblywoman Shea Backus

COMMITTEE MEMBER PRESENT IN CARSON CITY:

Assemblyman Philip P.K. O'Neill

COMMITTEE MEMBERS ABSENT:

Assemblywoman Heidi Kasama (excused)
Assemblywoman Selena Torres (excused)

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Cesar Melgarejo, Principal Policy Analyst, Research Division

Davis H. Florence, Senior Policy Analyst, Research Division

Bonnie Borda Hoffecker, Research Policy Assistant, Research Division

Sam Quast, Senior Principal Deputy Legislative Counsel, Legal Division

Joe Steigmeyer, Senior Deputy Legislative Counsel, Legal Division

*Items taken out of sequence during the meeting have been placed in agenda order.
[Indicate a summary of comments.]*

AGENDA ITEM I—OPENING REMARKS

Chair Spearman:

Good morning, everyone, and welcome to this edition of the Committee on Commerce and Labor. We have a quorum.

[Chair Spearman reviewed meeting and testimony guidelines.]

AGENDA ITEM II—PUBLIC COMMENT

Chair Spearman:

Anyone in Las Vegas for public comment? If you are here for public comment, then please make your way to the table at the very front of the room. If we have anyone in Carson City, and you are here for public comment, please make your way to the table in the front of that room.

Val Thomason, Private Citizen:

I am here today to talk about the housing crisis. Rent has risen faster in Nevada in the last few years than it has in any other state in the country. Wages have gone up slower than in any other state in the country. More than 70 percent of Nevadans cannot afford a two-bedroom apartment. That is the reality for working people right now. We are living paycheck to paycheck. We are scared of our next rent increases and our next lease renewals, and we cannot keep up with the cost of rent. I was evicted five years ago after I left a domestic violence situation where I did not know that I could leave because I could not afford to rent an apartment on my own. When I did leave, it only took me two months to be evicted, but it took me three years to get back on my feet again. Now every single year when my lease renewal comes up, the rent goes up, and not by \$50, not by \$100, by hundreds of dollars. Every year I have to move again and find a new place to live and every year, I am terrified that I will not be able to find one and that I will not be able to rent again. We cannot buy a house because, unfortunately, Nevada is also one of the most unaffordable states to buy a home. There is nowhere left for us to go. Homelessness rates are going up; eviction rates are going up; and we are trapped in this situation. People have tried to convince us there is some kind of invisible force—that there is some market that we do not understand that it is just too complex and that there is nothing that we can do.

Chair Spearman:

Please submit the rest of your comments in writing. I appreciate it. Next, and please remember we have a two-minute limit.

Ben Iness, Coalition Coordinator, Nevada Housing Justice Alliance:

We are a statewide coalition of grassroots organizers and community advocates who work directly with tenants to advocate for material solutions that will solve the root causes of this housing crisis. We are here today in support of our allies with Legal Aid of Southern Nevada and Nevada Coalition of Legal Service Providers, whichever side that is for today. We appreciate the Committee holding this presentation to investigate the issue of our housing crisis. I believe a lot of the focus of this morning's presentation will be on the vetoes from

our Governor who had an opportunity or moment to intervene and support Nevada tenant to end our eviction to unhoused pipeline that we have. Going back to what Valerie said, we do not need market forces. We do not need good landlords. We need strong tenant protections. We need action to undo this crisis and lift people up. I am sure I am close to time. The last thing I will say for everyone in the room who stands here in support: please stand up of whether housing justice, tenant protections, ending summary evictions, or what have you. I appreciate it very much.

Chauntille Roberts, Chief Executive Officer, El Shaddai Refuge Homes:

We take youth who age out of the foster care system and provide them with transitional assistance to be on their own, including independent living. We are having a very hard time with finding housing for youth that come into our program because of the cost of rent. Every year, about 23,000 youth nationwide age out of the foster care system, and 22 percent of those people end up unhoused. These are not just numbers; they represent the lives of young individuals who already have faced very significant challenges in their lives. Despite being under the care of the government, many of them lack the basic support and systems that they need. A big contributor to that is the rent crisis that we are facing right now. Rent continues to rise, making it nearly impossible for these young people and just regular folks to pay for rent. We deserve secure and stable housing, and this is unacceptable. I am here today to urge everyone on this Committee to prioritize the needs of these youth and other Nevadans and address the issue with affordable housing. We cannot afford to let people slip through the cracks of society. They deserve better, and we need comprehensive support systems.

Jovan Jackson, Private Citizen:

I am in solidarity with Progressive Leadership Alliance of Nevada (PLAN) with the housing crisis that is going on here in Nevada. Nevada is home. You know, they say Nevada means home. Historically, Nevada has always been a place where you could afford to live, you could work and get you a place to live and live comfortably. With the rent increases, this does not feel like home anymore. This does not feel like a place I could call home. That term Nevada means home, it does not resonate with me anymore. We need to definitely make changes, and we need to get back to what made this State great.

Chair Spearman:

Do we have anyone else here? Let me go up to Carson City. Is there anyone in Carson City who would like to make public comment? Coming back down to Las Vegas.

D'Anthony, Private Citizen:

I just wanted to help conceptualize some of the things that some of the other PLAN activists were saying. Right now the new minimum wage that is coming into effect is \$12 per hour. I believe it comes into effect in July. I just did the math right now—someone who is working 40 hours per week, comes out to about \$1,900 a month. Average economics say that you should only spend about 30 percent of your income on housing—30 percent would be \$576. We are nowhere near that. I think it is very important that we create regulations that protect people. Minimum raising rent based off of local inflation—things like that to make conceptual sense. Providing time for corporations that own land here or own houses, especially over a certain amount, let us say 50 houses to actually have to sell those houses within a certain amount of time. These are things that cities around the country are already doing to help alleviate some of these problems. I think that would definitely help here as well.

Chair Spearman:

Anyone else? Broadcast, let us move to the phones. Do we have anyone on the phones who would like to make public comment?

Broadcast Production Services (BPS):

Chair, the public line is open and working, but we have no callers at this time.

Chair Spearman:

We will close public comment. We will have another opportunity for those who would like to make public comment at the end of the meeting.

AGENDA ITEM III—APPROVAL OF THE MINUTES FOR THE MEETING ON JANUARY 18, 2024

Chair Spearman:

Committee, let us move to the approval of the minutes for the meeting on January 18, 2024. Members of the Committee, are there any questions regarding the minutes? I will accept a motion to approve the minutes of the Committee meeting on January 18, 2024.

VICE CHAIR MARZOLA MOVED TO APPROVE THE MINUTES OF THE MEETING HELD ON JANUARY 18, 2024.

SENATOR LANGE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

AGENDA ITEM IV—PRESENTATION AND OVERVIEW OF AFFORDABLE AND LOW-INCOME HOUSING PROGRAMS ADMINISTERED BY THE HOUSING DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY

Chair Spearman:

Let us move to the Presentation and Overview of Affordable and Low-Income Housing Programs Administered by the Housing Division, Department of Business and Industry (B&I).

Stephen Aichroth, Administrator, Housing Division, B&I:

With me today is Christine Hess here in Carson City, our Chief Financial Officer, and Dr. Mae Worthey-Thomas, who is our Deputy Administrator of Programs. I want to take this time to thank the Committee for taking the extra day this year and dedicating it to affordable housing. What a great use of one extra day in the year. I also want to place on the record our thanks to the partners who we engage with, who you will hear from a little further on in the agenda. We will begin our presentation. Chair, we have about a 20-minute presentation. Would you like us to stop at the end of every slide, or would you like to just roll through it, and then we will have questions and answers (Q and A) at the end? ([Agenda Item IV](#)).

Chair Spearman:

Let us roll through it, and we will do Q and A at the end because there may be some questions that we have that might be answered a little later on.

Mr. Aichroth:

We are the Nevada Housing Division. We are a Division within B&I. We were established 49 years ago in 1975 as a State Housing Finance Agency—I like to emphasize that because we are not all things housing; however, we take on additional responsibilities and that became very prudent during the pandemic and post pandemic period. We will talk about those activities a little later in the presentation. Our mission is to improve lives, strengthen Nevada communities by expanding housing opportunities, building self-sufficiency, protecting the residents and industry of manufactured housing, and fostering economic development. We do this with an extremely small but mighty team of 47 full-time equivalent (FTEs). We provide this assistance through homeownership opportunities, multifamily development and preservation, State and federal grant oversight, oversight of manufactured housing, weatherization programs, and examining low-income housing data.

Quick overview of our programs—We provide down payment assistance through our homeownership program called Home is Possible. We have our standard program, a program for teachers, and a program for veterans. Our multifamily programs—We are the affordable housing tax credit issuing entity for the State of Nevada. We have two programs that develop affordable housing; one is our 9 percent program, and the second is our 4 percent program, and we will touch on those in a bit. We do weatherization assistance. We have oversight of Blue Skies—roughly five grant programs, the Home Investment Partnerships (HOME), the National Housing Trust Funds (HTF), our State Affordable Housing Trust Funds, the Emergency Solution Grants (ESG), and the Lot Rent Subsidy Program. For all those programs, we make sure that standards for the housing that we support are safe, and we ensure that the residents who are in those programs are income qualified through desk audits and property inspections. That is what our Multifamily Compliance Program does. We have a team that makes sure all those properties that receive those grants and those tax credits stay in compliance for their specified affordability period. I also want to touch on manufactured housing oversight, and that basically includes everything that is involved with manufactured housing from oversight of parks, education of managers and owners in those parks, licensing of service repair people, and folks who sell/dealers—things of that ilk. We have an entire section dedicated to titling of manufactured homes. We are basically the Department of Motor Vehicles (DMV) for manufactured homes in Nevada. I will turn it over to Christine to talk through our multifamily programs.

Christine Hess, Chief Financial Officer, Housing Division, B&I:

As you see on the slide here and in your packets, and as Administrator Aichroth mentioned, the Division is the State's allocating agency for the federal government's low-income housing tax credits. It is a public/private partnership, and it is the number one way—not just in Nevada, but in the country—that we are developing new affordable housing units and also preserving and rehabbing existing units. These are subsidized housing, so they have income and rent limits. In Nevada, since 2018, we have required a 30-year limit. That is something that goes above and beyond the federal requirements of 15. There are two different tax credit programs, the 9 percent and 4 percent. The 9 percent program is an annual allocation by the U.S. Treasury on a per capita basis. That annual amount varies, of course, per capita. It is approximately \$5 million. We have a competitive process, and because there is a greater amount of equity with the 9 percent tax credits versus 4 percent,

about 70 percent of the total project costs come in as equity. This allows the Division to prioritize and also, through the competitive process, to support our tribal projects, rural projects, and projects that support income levels at a lower level. Most of our units below 30 percent of area median income (AMI) units typically come through the 9 percent tax credit program.

The 4 percent tax credits create the most new units in the State. These tax credits are not allocated on a per capita basis. However, the only way to access these is through the private activity bond volume cap which are allocated to states on a per capita basis. Although 4 percent tax credits do not have a limit, they are limited by the amount of bonds that we get as a State. Nevada receives approximately \$340 to \$380 million—a volume cap—half of the award when that allocation comes in goes to the Director of B&I, and half goes out to our local jurisdictions. By September of every year, the local jurisdictions will either do nothing—meaning they do not commit theirs to any particular project, and in that case, they revert back automatically to the Director's Office, or they prioritize their volume cap for affordable housing—potentially a project or maybe it is an economic development project—the eligible uses of this volume cap. Since 2018, the Division has committed \$1.4 billion of tax-exempt bonds to fund multifamily housing. I want to stress this is not \$1.4 billion—this is debt financing, but it is at a better cost. More importantly, that \$1.4 billion in tax-exempt bond financing that has been committed for affordable housing is the only use of our tax-exempt bonds that bring in the 4 percent low-income housing tax credit from the Feds. We are able to leverage additional equity for our projects and, really, it is the only way that these projects happen. It creates the most units in the State. Since 2018, with the \$1.4 billion in tax exempt bonds, we have either supported the creation or rehabilitation of nearly 10,000 units, and our pipeline is very robust right now. We have about \$500 million in the very near-term pipeline—representing about 2,800 units. Again, that combines both new units and those that are being rehabbed.

We are entering a new phase in Nevada in which we are starting to be oversubscribed in our private activity bond volume cap. By the end of this year, if all of these projects come to fruition, we will be well through our 2023 allocation and well into the 2024 allocation. On the next slide, you will see the famous capital stack. In order for affordable housing projects to happen, it requires multiple layers of financing. Remember, this is not just building an apartment building when we are talking multifamily. We are building an apartment building, and each of those units have an income or rent limit that is required, and in our case in Nevada, for 30 years. In order to maintain those operations, as you look at this capital stack, it is very important to bring in and maximize that equity—which, again, is triggered by the bonds. But what I want to focus on is this capital stack—that gap at the top is growing. The gap at the top—The State has done some incredible work both through the Division and through this Body. We manage that gap for our projects with State tax credits. In 2019, there was a \$40 million allocation for State tax credits, and we are beginning to move through that post pandemic. The Division also has some soft funds that can come in that ideally revolve because those are limited. What you are seeing is because of land costs—just like the market rate, properties—land costs increasing interest rates, construction costs, labor costs—this gap is increasing, and this presents a real challenge. This \$3 million for many projects coming into 2024 is looking like \$5 to \$7 million. That is something that the Division is actively addressing right now.

When we talk about the timeline of our housing, what you really do not see is what goes on behind the scenes. I am going to talk broadly about this timeline that you have in front of you. This timeline shows you that really from application—meaning coming into the Division formally for funds—that it is probably and to construct through construction between two and three years. That includes submitting their formal application, going through the

underwriting process—at this point they are fairly baked—they have either secured additional sources of funding, or they are well on their way to that. We are moving through that and through the construction period. What you do not see on this timeline is the two to three years prior where they are acquiring the land, starting the conversations with the local governments, looking at zoning, permitting, the investor relationships, and securing the funds that are part of that capital stack that you saw in the previous slide. It is a work in progress. The timeline for rehabilitation is a little shorter. We always like adding new units, but it does take time with that.

Dr. Mae Worthey-Thomas, Ed.D., Deputy Administrator, Housing Division, B&I:

Thank you, for this opportunity to share a little bit more about our programs here at the Housing Division. These particular programs are our grant funds that we receive from HUD (U.S. Department of Housing and Urban Development) and also our State funds. These funds fill in some of the gaps that many projects have when they are building, down payment assistance, and rental assistance. That is what this list of programs goes for [slide 8]. You have HOME Investment Partnership Program (HOME) which we receive annually about \$3 million. This year we had a special grant called HOME American Rescue Plan Program (HOME-ARP). We use the regular HOME for our down payment assistance program, and small amounts are used for loans to some of the developers who are building projects, and we charge a modest interest rate, and it yields program income that comes back into our fund to continue to fund more projects. We get a nice bang for the buck from our HOME funds. Then the new HOME-ARP, which we will be deploying here soon. Two years ago, we did get about \$6.4 million for people who are at risk of homelessness and services that keep people housed. HOME-ARP is focused on people at risk of homelessness, but HOME is focused on people who are at 80 percent AMI, and most of these funds go to our jurisdictions who will allocate these funds out to various projects, and then we will keep a little bit back where we fund a particular project. Then we have our State trust funds with the account for State Affordable Housing Trust Funds, and this is funded by the real estate transfer tax every year, and it has been fluctuating here recently—Last year we got about \$13 million, but this year we are going to be at about \$8.9 million. That particular fund focuses on people who are about 60 percent AMI, but we have some flexibility on that AMI. A really important part of what we use those funds for is the welfare set aside, which is used for families, for emergency situations—and we give an allocation to each of our counties statewide to allocate those funds out to people who may be facing homelessness or need rental assistance, utility assistance, just to really help people get by. It is a very important part.

We also use some funds for home rehabilitation. We have a couple of organizations who receive these funds, and they rehabilitate homes back to livable conditions. Then we have the HTFs—which is from HUD again—and this particular fund is the only one that the State receives, whereas all the other grants are shared among the jurisdictions. They receive their own allocations, but only the State receives National HTFs, so therefore, we do allocate those statewide for either acquisition rehab projects or for new construction projects, and those units must serve 30 percent AMI—that is very low-income folks who are served by the units that are a part of the development that have been funded through the HTF. We provide a preference to those developments who are going to be providing supportive services. When we do our application, we ask the question, “Will you be providing supportive services for the members of the community who will live in these communities?” We definitely give preference to that. Then we have our ESG and this is a very small pot of money that we receive from HUD. Some of the jurisdictions also receive their own allocations. We try to reserve our portion of ESG for the rural communities, and this fund goes directly toward homeless services, funding shelters, and street outreach. We have

organizations who go out to get our citizens off of the streets, out from under bridges, to serve them through the use of these particular funds. Then rapid rehousing and then prevention. Altogether, this particular pot of money is about \$15 to \$22 million a year.

Mr. Aichroth:

There are two other programs I want to touch on very quickly—one is the Lot Rent Subsidy Program which provides a subsidy for those lower income folks who are in manufactured home communities. We were able to expand this through the passage of Senate Bill 40 in this last legislative session—was tied specifically to the federal poverty level. Now, the amendment through SB 40 allowed us to go to a little deeper dive into the AMIs, and we are helping a few more people with that program. The second one is our Weatherization Assistance Program, and that program has seen an influx of funding basically through the bipartisan infrastructure law. We expect an expansion of reaching out to the Weatherization Assistance Program through that particular funding source. Dr. Worthey-Thomas mentioned that we do \$15 to \$20 million—let us call it \$20 million—annually through our Blue Sky Programs. In our post pandemic and pandemic funding, we have done about 40 years and continue to do about 40 years' worth of work in the last four years. I am not going to run through all of these funding sources and what they have done, but you will see in here: rental assistance; homeowner assistance; homelessness assistance; evicted; diversion; housing development; weatherization—that is over \$1 billion in housing assistance in addition to our normal programs that we have managed. We have managed to do it because we are a conduit agency. We have provided an awful lot of the funding to partners you are going to hear about further on in the agenda. There was legislation passed in the last session for 2023, and I want to touch on some of that. I will turn it over to Christine to talk about Assembly Bill 62 and AB 310.

Ms. Hess:

Assembly Bill 62, if you will recall when I talked about our robust pipeline—that the Division is seeing for new development. It is a lot in part due to the Home Means Nevada Initiative (HMNI) funds. We are expecting 14 projects in the next six months to come to Board of Finance for approval for tax exempt bonds, and they are utilizing that \$500 million in HMNI—a portion of it to help close these larger gaps. Additionally, AB 62 added sources of funding that trigger the property tax exemption, which is essential for these projects to maintain their operations for the 30-year affordability period. It did not increase anything; it just added additional funding sources to trigger the property tax exemption including low-income housing tax credits, which has made the pipeline more robust because it streamlines it for them. They do not have to go to the local jurisdictions to get just home funds. That was previously the only funding source that triggered the property tax exemption. All of them were getting it before—they just had to go get home funds—now they can come directly for their tax credits and still be eligible for the property tax exemption. That was awesome—AB 62, thank you Legislators.

Additionally, the Legislature passed and the Governor signed AB 310, which creates a Supportive Housing Development Fund in the Housing Division. This is the first time the Housing Division is actually receiving General Funds. Normally, we are working off of federal funds. This is in progress right now. This bill essentially created a fund of \$32.2 million, \$30 million of which will fund the services that are directly linked to housing, making the Division the one-stop shop for this niche housing. Supportive housing is the housing that is for those who are either homeless—unhoused now or at extreme risk of homelessness. When we think of some of our most vulnerable Nevadans, this housing that we do not have very much of is essential, but it is not just a roof over the head—it is also services that

come alongside someone to keep them stably housed for longer and to ideally transition to be the best version of themselves. That is AB 310. It also includes \$2 million for capacity building so that we can increase and work with our partners across the State to provide these services, and we will be measuring and reporting those outcomes to the Legislature.

Mr. Aichroth:

Touching on SB 40 which I did a little bit earlier, in regard to the lot rent subsidy expansion, but it also streamlined things for our manufactured housing constituents. Effectively, what we have done is allowed them to submit things digitally. Previously, it was a pretty arduous process, as I mentioned, a lot of that titling and licensing componentry did not allow—We did a lot of paperwork. We were stuck back in the 1980s and 1990s. This brought us up to speed. The Legislative Commission earlier this week approved our regulations to allow for that. We will be working even harder to streamline the processes through manufactured housing. I wanted to take note of that.

Dr. Worthey-Thomas:

Senate Bill 363, which I know Chair Spearman is very familiar with, essentially made some adjustments to our account for Affordable Housing Trust Fund statute, adding a provision to ask us to provide priority to organizations who are providing housing services or developments to about five additional groups of people—specifically, women veterans, women seniors, survivors of domestic violence, single mothers who have custody of their children, and women who were formally incarcerated. We will be opening applications for our trust funds within the next two weeks. I hope to reach out to some of these organizations who provide such services or housing services to these individuals to share with them this new provision, as a lot of people may not be aware of it. This will be a great opportunity to provide some assistance to some organizations who are focused on these populations who have been often forgotten or who need additional assistance and cannot necessarily find it. Then we have SB 450. There is a community in North Las Vegas that was built on a fault line in the 1960s. When groundwater was extracted from underneath these homes, it caused them to sink, including the infrastructure, and has made these homes unlivable. This bill has directed the Housing Division to go in and build 93 homes for the individuals who remain in that community. We will be working diligently to carry out this particular bill. We have gone through the RFP (Request for Proposal) process and have selected a developer who will be working on developing this community. Currently, we are in negotiations with the contract and a timeline as well as how those phases will roll out. Those are two very exciting projects that are underway.

Mr. Aichroth:

I want to touch on one last thing before we open it up for questions and conclude our presentation, and that is NVHousingSearch.org. This is where constituents can go to find affordable housing within the State of Nevada. It is also set up for those who need accommodations—it is a friendly website—I invite every Legislator to please visit it so that you know it exists and you know that your constituents can find our affordable housing on there. There is an 800 toll-free phone number on the website as well, and we require all of our awardees through tax credits to list their properties there. This will have a listing of all the subsidized affordable housing in the State available. You can go through it and pick a location and then find properties that, although they might be fully booked, potentially would be able to house individuals in need of housing. With that, we will conclude our presentation.

Chair Spearman:

Committee members, questions? Do I have any questions up North? No questions?

Senator Stone:

There is a large number of properties that are owned by private investors that have succumbed to decreased property values and subject to ARMs (Adjustable-Rate Mortgages). There was a report that just came out in a publication that says that there are 7,268 units in Arizona, Nevada, and Texas that are going back to the bank [Tides Equities Multifamily Portfolio. (2024, February 13). *Real Estate Alert*]. I was curious, this may be a great opportunity for the State to acquire these properties at pretty much bargain prices. Do we have representatives from the State that are looking for these opportunities with local banks that are going to be receiving a lot of these properties back to them?

Mr. Aichroth:

The whole concept of single-family homes—We typically deal with the residents, not necessarily the properties, in the down payment assistance and things of that nature as we go through this. However, on a national level—It is not just happening in Arizona, Nevada, southern California. The “Smile States” all across the southeast and going up the Atlantic seaboard and extending west are all seeing pressures being brought to bear on single-family homes. We do not have a program currently to purchase single-family homes and to convert them into anything else, but it is a discussion that is happening on a national level. In fact, I will be in a conference next week where this will be a topic of conversation. I do not have a good answer for you other than to say it is something that the Division is looking at. We do not know how we would specifically interact in that space at this time, but certainly something we are aware of.

Senator Stone:

I should have qualified my statement by saying these are not single-family homes; these are apartment complexes that are going back to the bank. I am going to get your email, and I am going forward you this article. There may be some great opportunities for the State to pick up some large complexes. I am talking 200 to 300 units that are going back to banks that could be available and put on the market for affordable housing in the State of Nevada. I appreciate your testimony.

Ms. Hess:

I would like to add we would appreciate that, and we have great relationships through our down payment assistance programs on the single-family side with all of our banks and lenders. That also is a public private/partnership, but additionally, on the multifamily side, we have excellent relationships. I think that sounds like an excellent opportunity for the Division to engage and should be a natural process for us.

Chair Spearman:

Anyone else, questions? Senator Stone, I am going to ask if you will make sure that is available so it can be a part of the minutes. We talked a little bit about LIHTC (Low-Income Housing Tax Credit). When they apply for the tax credit, and they get those tax credits for 15 years, and the tax credits are in play for 15 years, is there anyone looking at whether the housing that was developed under LIHTC remains affordable?

Mr. Aichroth:

Just for clarity—when we issue tax credits, the affordability period is for 30 years or 50 years, depending on which program they go through. There is, in federal tax code legislation, it is called a qualified contract provision, but it is basically an escape hatch that after 15 years, properties can basically leave the tax credit program. In 2014, we created in our qualified allocation process the issuance of these tax credits—a waiver that you must waive that qualified contract process in order to receive tax credits from the State of Nevada, which means when we issue tax credits from 2015, you do not have that escape hatch opened up to you. It is a legitimate question, and I am going to run through some stuff if you will indulge me. In 2016, we created or preserved 838 units through our tax credit programs. We had four properties leave, where we lost 1,030 units. That is not something that we are proud of, but it is something that did exist in 2016. In 2017, we lost 120 units, created 1,149. In 2018, we lost 1,012 units, created 1,066—that was really the last year that we saw properties leave the affordability period because starting with 2019 and 2020—2020 we lost 108 units; 2021 we lost 48 units; 2022 we have lost zero units, and zero units so far in 2023. I am trying to emphasize that we identified that as you are trying to create affordable housing, but if you are losing them, coming at the bottom end, there is no net gain. The Division has already put in place over the course of the last five years effectively a way to prevent that.

Chair Spearman:

There was something put in place in 2014, but a bunch of low-income housing were deleted. What happens—because it is in IRS statutes—so it is not something that the State does. But is there any mechanism by which when people create these housing developments—the projects—is there any mechanism by which the State reports to the federal government that what used to be low-income affordable housing in 2023, 1,000 of those units left so that the people do not continue to get the tax credit. That is what I am looking for. How do we make sure—because the housing crisis here is just abominable. How do we make sure that people who are getting the LIHTC follow through? If it is supposed to be for 30 years, and they are only here for 5 years, then it seems to me—but the development exists for 40 years. How can we make sure that there has got to be some kind of a penalty. April 15th is coming, and people that owe money. If they do not pay it, there is a penalty for them. Is there a penalty? Maybe you cannot answer that because it is federal, but I am trying to figure out how do we, as a State, make sure that if people have gotten that tax credit, they follow through with the contract?

Ms. Hess:

The beauty of the LIHTC Program is it has a lot of regulation and oversight. We do not see them leaving earlier than 15 years. The Division monitors every project annually. We are monitoring them annually, but keep in mind, after 15 years, it is a little more of a challenge because you do not have tax credit investors that have skin in the game because while the investor make it out, the affordability period goes on. However, prior to 15 years, the tax credit investor wants to make sure everything is compliant. They are also on top of everything to make sure there is full compliance. Properties, if they are exiting early, they are facing a penalty and something has gone awry. That is extremely unusual, and we are not seeing it in Nevada for those early exits. After 15 years, it becomes a little more of a challenge. However, we have a compliance team, and we monitor the properties to ensure they are providing the restricted rents at the rates that are allowed and that they are in compliance.

Chair Spearman:

Is there anything that we can do at the State level to make sure it is tight and right?

Ms. Hess:

The Legislature passed in 2021 SB 12, which requires any property that is exiting to provide a 12-month notification to the local jurisdiction to the State of Nevada, who in turn will inform the affordable housing development community and also to inform the tenants. It also outlines some provisions of that notice because we do not want to cause alarm when alarm may not be necessary. However, that 12-month notification—And if they do not do that, there is a very small penalty. The penalty is small potatoes when it comes to real estate transactions. Certainly, that could be something to look at. Additionally, though, the affordable housing community is looking at these properties all of the time to come in and potentially resyndicate and rehabilitate these properties and keep them up to date. Resyndication means bring additional tax credits to the table potentially again as part of a rehabilitation process. It is an active place. Those funds to rehabilitate and those tax credits are all coming out of the same pool as new development, and if you recall, we are becoming oversubscribed in that space. There could be an opportunity for the State to understand if rehabilitation and preserving those units could be potentially a different funding source because right now through the Division, they are competing with new properties. Those are some of the things—you have taken some action—thank you. But could there be other actions? There are things other states are doing.

Chair Spearman:

Is there anything that we do with respect to crosswalking with the U.S. Department of Veterans Affairs (VA)? I am thinking about VASH (Veterans Affairs Supportive Housing) vouchers. Is there anything that we can do there that will either subsidize or strengthen what we already do in the housing space?

Dr. Worthey-Thomas:

We are always open to opportunities to assist our veterans community. We have, on our staff, an affordable housing advocate who receives phone calls from the public seeking assistance and specifically when a call comes in from a veteran. They may not always know about the resources, may not know about HUD-VASH or the process. We connect them with the housing authorities who administer those vouchers. We have participated in the development of properties, such as Allegiance here in Las Vegas, which is a veterans community as well as providing funding to organizations like Nation's Finest and Veterans Resource Center that provide emergency assistance to veterans. Senate Bill 363 is going to assist in providing us an opportunity to support our veteran communities by providing that priority. Funding is always an issue—there is not enough for us to do all of the things that we would love to do to support all of our communities, but specifically our veteran's community. Certainly, funding would be one of those issues.

Chair Spearman:

You mentioned Windsor Park, and the negotiations are continuing. We had \$30 million from the State. The progress is that you already found a developer. Is there anything else going on with respect to the funding?

Dr. Worthey-Thomas:

Not anything in particular. For the account for affordable housing funding we will be opening up those applications. We will see what type of interest there is in this priority that is going to be placed on this funding to see if there are going to be some developers who are interested in developing affordable housing. If there are service providers who will be interested in asking for funding to continue their emergency services, there are down payment assistance programs and all of the other things that this particular legislation allows for—our only concern is that it is a small amount of money that is available because it is divided up across the jurisdictions and given out to the counties for emergency services. It leaves us at the end about a couple of million dollars to work with. With the change of legislation, it is great now that we can put those groups at the top, if you will.

Mr. Aichroth:

To follow-up in regard to Windsor Park, working very closely with the Governor's grants office—they were tremendous in assisting the Division in applying for a \$10 million grant to HUD. It is called the Housing PRO Grant that we submitted last fall of 2023. We expect to hear an answer as to whether that program will be assisting in Windsor Park in March. We will continue to follow up with HUD in those regards.

Chair Spearman:

What about Fannie Mae money? Is that part of what you talked about?

Ms. Hess:

The State has received some funds from the City of North Las Vegas that appear to be Community Development Block Grant (CDBG) funds. The City of North Las Vegas has requested information from HUD, and we all wait clarification. We have been in recent communication with HUD to say, please provide some clarification on the eligibility and usage of these funds. The State recently took in \$2.7 million from North Las Vegas of these funds that it seems to be CDBG—not the Fannie Mae funds—but it is a little unclear, and everybody is waiting for HUD to provide guidance.

Dr. Worthey-Thomas:

I wanted to apologize, Chair Spearman. I missed that you asked about Windsor Park. I am sorry, I thought you were still asking about veterans.

Chair Spearman:

I want to go back to the last session—Senator Dina Neal, District 4, spent a great deal of time going through City records that show there was some Fannie Mae monies that came in, but there had not been any accounting for that. I am interested in knowing if there has been any movement on trying to figure out where that is—I think it is maybe \$40 million. If there is a way to find where that money is, that would certainly help the process. More importantly, when I think about Windsor Park, I think about Miss Annie. She is over 80 years old, and she says she wants justice before she dies. If there is any way to help us figure out where that is, and I think it is part of Fannie Mae, and we have not figured out where it is. It would be helpful if you all could either look into it or if there is some other place we need to be asking for that information. During the hearing, she went through about 30 years of records showing there was money that came in, but there was no accounting as to what happened when it went out.

Mr. Aichroth:

It is interesting—we work diligently with Fannie Mae on the homeowners side. We can work through their organization to see if—I do not know if those folks that we typically work with would have the answers that you are looking for, but certainly we can try to work through Fannie Mae to get those answers.

Chair Spearman:

I am looking here at part of the testimony. It is based on \$4 million in 1998 General Obligation Bond that was brought by Fannie Mae in February of 1999. According to the historical minutes, it generated \$300,000 dollars per year. That is a significant amount of money, and whatever we can do to figure out where that is, that would really be helpful—especially to the residents of Windsor Park.

Clean Energy Fund, you are doing the Weatherization Program. Are you collaborating with the Clean Energy Fund of Nevada?

Mr. Aichroth:

Yes, we do. It is not like we have regular calls with Kirsten Stasio, who is the Chief Executive Officer. We are working with them to establish programs that may benefit our multifamily developers in that solar space. That seems to be the greatest emphasis.

Ms. Hess:

As a carryover from my previous role—I believe the Administrator knows this, but if I have not told you—I sit on the Advisory Board for the Nevada Clean Energy Fund. We have a very close relationship.

Chair Spearman:

Any questions, Committee Members? Thank you so much for the presentation. Keep working with the VA to make sure we are giving veterans what they need, and all that we can crosswalk with the VA leaves more money available for those who do not have that option, and that is why I am pressing.

AGENDA ITEM V—PRESENTATIONS AND OVERVIEW OF AFFORDABLE HOUSING PROGRAMS ADMINISTERED BY REGIONAL HOUSING AUTHORITIES

[This agenda item was taken out of order.]

Chair Spearman:

We will move to the presentations and overview of affordable housing programs administered by regional housing authorities.

A. SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY (SNRHA)

Kathi Thomas, Chief Housing Officer, SNRHA:

I will start with a quick overview of the SNRHA, and then we will answer any questions that you may have. ([Agenda Item V A](#)). This existing housing authority was created in 2010 from

the merger of three independent housing authorities covering Las Vegas, Clark County, and the City of North Las Vegas. The merger created the existing SNRHA. Our Board of Commissioners are comprised of City Council members from the City of Las Vegas, City of North Las Vegas, City of Henderson, two Clark County Board of Commissioners, and four Resident Commissioners – one from each of the jurisdictions. Our annual budget is typically about \$210 million, and as the result of the infusion of some HMNI dollars and Clark County resources, our budget this year is \$296 million with roughly 251 positions. We are most well-known for the Housing Choice Vouchers (HCV) Program commonly called Section 8. HUD has allocated a total of 12,598 standard HCV. In addition, we have emergency mainstream and VASH vouchers as a part of that mix. A little over 12,000 of the total allocated vouchers are being utilized now. We recently opened the HCV waiting list in 2023 and had over 27,000 applicants for the very limited number of slots. About 10,000 of those applications are being processed. We asked a couple of questions when we opened the waiting list.

In addition to providing housing, we recognize that wraparound services for residents is very important, and we want to break cycles of poverty. We added questions that related to how many applicants would like a job and job training—19,000 of the 27,000 applicants responded they were interested in training and/or employment. We currently service over 45,000 residents and contribute \$155 million in payments to landlords on behalf of those tenants. That makes us the largest landlord in the State of Nevada. Between our public and affordable housing developments, we have over 4,800 units across those 18 developments. Our funding sources are becoming more diversified with American Recovery and Reinvestment Act (H.R. 1, 111th Congress) dollars, HUD's Repositioning Program dollars, Mixed-Finance, Rental Assistance Demonstration, Neighborhood Stabilization, and Tax Credit resources, in addition to administrative dollars. We currently have 44,444 applicants on a waitlist for public and affordable housing. We do not leave the waitlist open indefinitely because we would have hundreds of thousands of individuals.

Some of our highlights from the past years—We just wrapped up a Choice Neighborhood Initiative (CNI) Planning Grant and have submitted for an implementation Choice Neighborhood Grant for \$50 million, which is a wide-ranging collaboration to repurpose one of our aging public housing sites, Marble Manor, on the historic west side. We have collaborated with the City of Las Vegas and the Library District to do a land swap that created a mixed-use housing development and also provided land for the new East Las Vegas library—doing redevelopment in the community that is grounded in housing but recognizes other needs of the community. We have the Strong Start Academy at that location and a health center managed by the Southern Nevada Health District. We have our regular collaboration between the VA to streamline our process so that the documentation needed is simplified and only essential information is collected from those veterans utilizing that process. We are currently working with the College of Southern Nevada (CSN) to create learning opportunities for students who are CSN students and living in our public housing developments. We have established strategic priorities or pillars for success that include increasing housing opportunities, enhancing resident opportunities for success, strengthening our customer service and service delivery matrix, and increased improved and enhanced employee growth and development.

Under housing opportunities, we know we need to increase not only the actual vouchers out in the community, but the number of landlords willing to accept those vouchers. It is not mandated, and landlords sometimes will refuse to work with participants who are using the voucher to pay for their rent. Because we have a nearly 80,000 unit shortage in affordable housing, we need more landlords willing to work with the program so that existing units become part of the affordable landscape. To that end, we have created a landlord incentive

program that includes efforts around loss mitigation. If there is wear and tear that is above the normal wear and tear in a unit, we will pay up to \$2,500 per family to an eligible landlord when the family vacates, and it is determined that the damages were caused by the tenant. We also cover a vacancy loss up to one month of rent while doing those repairs if the damage has been excessive to the unit. We have also added a new unit signing bonus to reward new and existing landlords for joining the program and adding more units. If you are new to the program, you can get a \$500 sign-on bonus. If you are an existing landlord who adds new units above the ones existing on the program, you are also eligible for that new unit signing bonus. This new effort this year has added 54 new units and 24 new landlords to bring us to over 3,000 landlords participating in the program.

Under our increased housing opportunities, we have received \$75 million in grant funding from HMNI funded by the State of Nevada and the Community Housing Fund (CHF) with Clark County to develop and preserve our existing housing portfolio. That is 1,658 new and rehabbed units becoming available for very low-income households. Over the next two years, this will equate to \$374 million in construction investment. We wanted to share the number of new projects in the pipeline and the total number of units that it will add [slide 10]. In addition, if you look at the two middle columns, you will see the amount awarded and the amount needed. In some cases, these projects are not yet fully funded, and as many of the other presenters have stated today, one of the biggest challenges is having the resources that are flexible enough to invest in affordable housing and that do not require onerous compliance and reporting standards. We are very excited about the number of projects coming on, but also recognizing that both new construction and rehab projects require significant investment of dollars, and we are looking at a \$373 million gap that we are still working to close for some of these projects.

To give you an example of where we have invested multi-levels of financing, this is the Wardelle Town Homes [slide 11]. This is the project where we facilitated the land swap with the Library District so that we could get both an early childhood education center and a health center serving children living at the Wardelle Development but also other low-income families in the neighborhood surrounding this development. One of our recent development and modernization projects is a preservation project. James Down Towers is a 200-unit senior housing development, and that is a rental demonstration conversion, and Hullum Homes, which is a 59-unit family housing development. In addition to building the housing, we are actively partnering with stakeholders across the community to keep these key conversations at the forefront. We believe housing is foundational and that other parts of the community will not be strong if we do not address our housing needs. To that end, we have hosted an Affordable Housing Forum in May of last year and plan to do so again in May of this year so that we can discuss federal, State, and local housing policies and the strategies needed to bring more affordable housing developments online in ways that utilize existing resources and identify new resources to support it. We had members of our federal congressional delegation as well as our local commissioners participating. We will send that invite out. We would love to have you all participate this year.

Customer service—We would be remiss if we did not acknowledge that historically, housing authorities get a bad rap for not caring about the residents they serve. We wanted to be sure we are actively listening to the needs of residents and creating ways for them to provide feedback. Landlords are our stakeholders and our funders and are part of the feedback loop—a part of identifying new opportunities and solutions. We have a monthly agency newsletter, and we recently conducted a customer service satisfaction survey to give us anonymous feedback and speak freely. We restructured our Customer Care Center, which is a call center to reduce our hold time. We have extended our work week from a standard four days a week, ten hours per day, back to five days a week to improve

customer access so there is someone there who will pick up a phone if you call on a Friday. We are establishing tenant associations at all of our affordable housing sites so tenants can be a part of the solutions and bring opportunities to us as well.

We have enhanced residents service opportunities through our Family Self-Sufficiency Program, which is a voluntary program designed to assist families in becoming financially independent and self-sufficient. It provides a number of wraparound services and training, and as their income goes up, that normally would equate to an increase in their rent. That increase is actually set aside in an escrow account so that when they graduate from the program, they can take those funds and invest them in a down payment on a home or college degree. It is not tax; it is not treated as income to that resident; and they get a lump-sum payout to invest in themselves or their families. We also have a Pre-Apprenticeship Program to foster workforce development in the building and construction trades. We are a huge advocate of Section 3, which is a provision of the HUD Development Act of 1968 (S. 3497, 90th Congress), and it is designed to ensure that we are providing opportunities and giving preference to our own residents and other very low-income persons when there is employment and contracting opportunities. Our goal is to increase and encourage the hiring of our residents for full-time employment at living wages with medical benefits. Some of the staff training includes implicit bias training, emotional intelligence, sexual harassment and workplace bullying, and cybersecurity. Like many government and quasi-governmental entities, we are under regular attack, and we want to protect the information of both our residents and our landlords from being hacked.

We are currently in negotiations with our Union. A significant proportion of our workforce is represented by Service Employees International Union, and we are pleased that we have positive and transparent relationships with our represented employees. We are also committed to absorbing insurance premium increases so it does not become a burden to our employees. Post Coronavirus Disease of 2019 (COVID), many industries are passing cost increases on to their team members, and we have not done that for 2022 and 2023, so our employees continue to see that in their pay and not have to see it go into their premiums. Here are some pictures from a lot of our events [slide 17]. We have been committed to regular community engagement; this does not work if the residents are not essential as opposed to an afterthought. They need to be leading the conversation on what makes strong communities, and these are some of the activities both with our youth and our seniors at different sites across the valley.

Chair Spearman:

Thank you. Any questions? Assemblywoman Backus.

Assemblywoman Backus:

I was trying to digest the number of available units, and I believe it was slide 4 where it had 4,811 units and 18 developments. I was able to go to your website to see what I was looking at. I noticed there were also public housing units available. Would that be in addition to these 4,811 units?

Ms. Thomas:

The 4,811 units includes public and affordable housing.

Assemblywoman Backus:

I appreciate that clarification. One thing I noticed is this is specific to SNRHA, and then we have other private type of developments with affordable tax credits that are offered. Does SNRHA know how many units we really have that are affordable housing through all the different types—not voucher—but that are for affordable housing where individuals must have a certain income threshold to get the reduced rent benefit?

Ms. Thomas:

Southern Nevada Regional Housing Authority does not keep that particular list, but we work with both the State and the County to track the number of affordable housing units, particularly those that might exit from affordability so that we can plan and address that. We can circle back and get that information from our colleagues.

Assemblywoman Backus:

I appreciate that. I could probably ask them; I think they will be presenting later. I was curious because I was trying to make sure it was not everything. I do like your website. I like that it shows what places have availability. I know there is a lot of red (non-availability), but I saw one green. Thank you for the nice website.

Chair Spearman:

Assemblywoman Marzola.

Assemblywoman Marzola:

My question relates to the voucher program, the waitlist almost 45,000 applicants. How long does it take a landlord to enter your program once they have reached out?

Rosa Elaine Garcia, Director of Housing Programs, SNRHA:

When a new landlord is interested, we have a landlord liaison, which is a new position—A new landlord is connected with our landlord liaison who does the introduction and guides the new landlord through the navigation system of what documentations are needed. We are in the process of starting to have regular meetings to give them a brief introduction and presentation of what the program is all about. If there is a new landlord that is interested and there is a client's choice, we give them the paperwork, and it should not take very long for us to process that once we receive the packet. Our workers take about two to three days to process this and pass that to a housing inspection. They take about two or three days to call the landlord to schedule the inspection. Once the unit is ready, the inspectors come to the unit to inspect.

Assemblywoman Marzola:

Would you say approximately a month from initial contact to when the property is ready?

Ms. Garcia:

We are hoping to do it in less than 30 days. It depends when the unit is going to be ready. It could be 30 days; it could be less.

Assemblywoman Marzola:

I know that you have a lot of incentive programs at this point. What sort of outreach are you guys doing to the community, so landlords are aware of these incentive programs?

Ms. Garcia:

We do. This is very exciting because our new landlord liaison who is here also—It is brand new. We started in October or November, and we have all kinds of plans. She is reaching out to the different associations, and we are attending different fairs and doing presentations, so landlords are aware, and it has been very popular. We are already reaching out. In such a short time, we have many new units for our participants. If there are any other events that our landlord liaison could get in touch with, that would be wonderful because she is going out in the community looking for new landlords.

Chair Spearman:

Any questions up North? I do not see any hands. Ms. Thomas, there was a bill that we had last session, and we are looking for it now, but it provided an opportunity for a savings account for people who were receiving government assistance and of those in foster care. The program that you had in terms of escrow, you may want to look at that. We are working closely with the Treasurer to make sure we are able to accommodate that. It also provides, optionally, for a dollar-to-dollar match if we have it. No additional questions?

B. NEVADA RURAL HOUSING [sic]

Chair Spearman:

We are going to go to Nevada Rural Housing (NRH).

Mishon Hurst, Deputy Executive Director, NRH:

I am going to provide an overview of the programs and housing solutions we provide to serve the housing needs of rural Nevada. ([Agenda Item V B](#)). Our Mission is to promote, provide, and finance affordable housing opportunities for all rural Nevadans. We execute this mission through a variety of programs and creative housing solutions. These solutions can be utilized by the 15 rural counties and the rural portions of Clark and Washoe Counties. "Rural" for our purposes is defined as communities with populations under 150,000. Assembly Bill 372 of the 2005 Session clarified our jurisdiction and established that we are not subject to the State budgetary process—in other words, we have a lot of area to cover.

We offer programs funded by HUD through grants from organizations like Nevada Housing Division and through direct investments made by NRH. Nevada Rural Housing administers the HCV Program as funded by HUD—similar to the program described by SNRHA. We have standard vouchers. We have an allocation of the HUD-VASH vouchers where we partner with the local VA for case management. They provide case management and wraparound services while we provide the rental assistance for homeless veterans. We also have emergency housing vouchers for victims of domestic violence, people experiencing homelessness, and local special needs. The opportunity for new vouchers does not come very often, and mostly what we have seen over the years is HUD announcing new allocations of the HUD-VASH vouchers. Anytime we see those opportunities, we seize them, and we apply for additional funding. We were awarded an additional 45 HUD-VASH vouchers; SNRHA and NRH also received additional allocations in that latest announcement.

Over 65 percent of our voucher holders are elderly or disabled. The voucher program also ensures that households participating in that program meet HUD's definition of affordability, which is households that are paying no more than 30 percent of their monthly income towards the rent and cost of utilities. Voucher holders face a lot of challenges especially in the changing market. Higher rent—The rent increases sometimes do not meet the voucher requirements. We have also seen a lot of landlords exit the program or who are unwilling to accept the voucher, and that poses challenges for our voucher holders to find units. We also provide emergency assistance to rural households that may be facing eviction due to nonpayment of rent or utilities. In addition, we also provide security deposit assistance to help remove financial barriers for people to get into housing.

In 2006, NRH launched our first homeownership programs, and since then, we have added additional options for first-time homebuyers and returning homeowners. We offer homebuyer education, lender and realtor education, downpayment assistance, rate buy down options, and direct tax credits. We aim to have a variety of options to meet the needs of our residents. These programs are market driven, and we are always evaluating and reevaluating how we deliver these programs to our rural communities. Our clients wishing to enter into home buying are facing challenges in the market. The increased prices and high interest rates are making it more difficult and less affordable for our homeowners. Our weatherization and home repair program helps low-income homeowners and renters increase the efficiencies of their home, address deferred maintenance, and allows residents to age safely in place. Funding for these programs are provided through grants from Nevada Housing Division and we received an allocation of ARPA (American Rescue Plan Act) [H.R. 1319, 117th Congress] funds for through HMNI.

Nevada Rural Housing also develops and manages affordable housing. We have an established history of rehabilitating units and ground-up construction utilizing the funding mentioned by Ms. Hess with Nevada Housing Division. We focus on providing housing to households at or below 50 percent of the AMI. Although we use low-income housing tax credit funding and other affordable housing funding sources, most of the units that we build and manage do not have ongoing rental subsidy. We charge lower rents to ensure the housing is affordable to the tenants. I would also like you to know that when NRH develops affordable housing, we do not maintain it just for the 15 years of the tax credit requirements. We maintain affordability for the life of that project for perpetuity. We do not like seeing properties exit the affordable housing, and when we are made aware of opportunities of a properties that may be exiting, we seize those opportunities. We seek out those opportunities to preserve affordable units.

Nevada Rural Housing was created in 1973 as a State agency, and we have a proven track record of providing housing solutions to rural Nevadans. Some highlights include launching their homeownership programs in 2006, adding more than a handful of new construction and rehabilitated projects all over rural Nevada, including Winnemucca, Ely, Tonopah, Yerington, Carson City, and Elko—and we have more coming. We have a brand-new construction project being completed as we speak in Mesquite, Nevada in rural Clark County. This project has a veterans preference where we have been able to work directly with the local veterans resource center for referrals, and most of the residents that have moved in as early as last week are veterans. In the next few months, weather permitting, we will begin construction and groundbreaking on 32 new units in Pioche in Lincoln County.

As Mr. Aichroth with the Housing Division mentioned earlier, there are a variety of funding sources to develop affordable housing. However, those sources are limited for the rural areas. The development process looks a little bit different for us than in the metropolitan

areas like Reno, Sparks, or Las Vegas. The rural areas have limited resources; few contractors are willing to travel; the cost of getting materials and the labor force to the remote locations; and lack of infrastructure causes the price of these projects to increase up to 30 percent versus other projects that happen in the metropolitan areas.

Defining affordable housing is a challenge. Affordability to HUD is different than affordability to a senior with high medical costs or to a family who is paying childcare. Housing is on the spectrum, from homeless to homeownership, we understand the variety of how naturally occurring affordable housing adds to the spectrum. We look at that spectrum and what we are building or what we are adding to that ecosystem, and then we try to be thoughtful about how we approach that. Our program, services, and units aim to address a variety of needs. We have properties with resident services coordinators that help residents connect to resources and additional services. We partner with agencies like the VA and the food bank to provide on-site services and wraparound services to our residents. The NRH offers more independent rental service but still with support. Our homeownership programs help families build generational foundations. We understand there is not a one size fits all or a universal solution, and that is why our agency tackles it from several different angles. In order to ensure that we are meeting the variety of needs and the changing needs, we use data through web analytics, market studies, and one-on-one conversations. We gather information within each of our communities we serve to better understand what they need. Each community within the State has different needs, different populations, and different infrastructure. Understanding those needs helps us deliver solutions. We work closely within the cities and the counties, the partnering agencies, on this goal. We are not the silver bullet, and we understand it takes everyone working together to deliver housing opportunities to rural Nevadans. I appreciate your time to give you a brief overview of our agency, and I am happy to answer any questions.

Chair Spearman:

Thank you, Committee Members. Any questions, any questions up north?

AGENDA ITEM VI—PRESENTATIONS ON PROGRAMS ADDRESSING AFFORDABLE HOUSING AND SUPPORTIVE SERVICES PROVIDED TO THE UNHOUSED IN SOUTHERN NEVADA

[This agenda item was taken out of order.]

Chair Spearman:

A. CLARK COUNTY

Joanna Jacob, Government Affairs Manager, Clark County:

I am happy to be here to present to you about something that is very near and dear to the hearts of our Board of County Commissioners and senior management—housing issues. ([Agenda Item VI A](#)). I liked how Ms. Hurst describes the housing programs as a spectrum. This is our way of thinking about it as a continuum that you see on the slide before you [slide 2]. This is something that our current County Manager, Kevin Schiller, had begun when he first joined Clark County, and it was something that we started to work on as a way to program the services in our community. This is meant to illustrate the spectrum that the previous speaker talked about and all of the levels that we may need to fund, and all the services that are needed in our community. It should not be read as a linear upwards, always progression, we certainly saw that in the pandemic. That is why we have arrows

going both up and down because the County is meeting people where they are and where they need the services. We continue to evaluate it as the tremendous needs in our community grow, shift, and change. We have worked on the importance of case management where it is needed. If we are going to fund a service that is short term, the question we program around is "what is next?" I am going to hand it over to Ms. Barnes because I think her portion of the presentation will illustrate the things we have done to address that issue.

Brenda Barnes, Assistant Manager, Social Service, Clark County:

Clark County has implemented non-congregate emergency housing shelters and non-congregate housing navigation centers for adults without children to connect them with housing; income; public benefits; physical, mental, and behavioral health services; and more. I want to emphasize that we have a close relationship with the VA, and if we come across anyone that is a veteran, we connect them immediately so they can ensure they are obtaining all of their benefits while we house them safely, and then they transition them on. We recently had an individual exit directly from the navigation center with a VASH voucher.

The Navigation Center is exactly what you might assume. When individuals arrive, they are assessed so that we can determine what barriers and challenges they need to overcome in their unique situation. We make sure it is a person-centered approach. From here, the goal is for someone to transition to temporary housing, such as the non-congregate shelters or transitional housing and other programs within our community that provide wraparound and case management services to reach long-term housing stability. The Navigation Center is intended to ideally accommodate individuals for up to 30 days. It is as low-barrier as possible while maintaining service structure and safety for both staff and the residents. These programs adopt a facilitative approach. We understand individuals know what will work for them in reaching change, and we recognize them as their own central change agents.

How we have navigated excellence thus far—We follow the HUD-recognized Housing First model. Addressing underlying issues cannot be done, such as substance abuse, mental health, behavioral health, without a safe and stable environment. Upon arrival, our providers assess each homeless individual with their underlying causes. I want to emphasize in less than eight months at the Navigation Center, we have served 538 individuals. Their average length of stay is 11 days. We have served over 17,000 meals to those who would otherwise be on the streets without access to food. Some of those major high-level services that we have recognized that they need right away are document readiness and application assistance—286 individuals received that support, and 235 receive medical and pharmacy services that would otherwise be burdening our emergency rooms to access those needs. Another 253 connected to insurance and 84 with the mental health and behavioral health services that they needed. Where did they go? One hundred and ninety-four did self-discharge. It is voluntary; we do not force anyone to come on site and receive services. When they are ready to access them, they do, and we get some that come back.

The non-congregate shelters, transitional housing options that I mentioned before—We had 172 individuals move on to those locations. It is exciting to say that from an emergency shelter location, 79 were able to go right into long-term housing. You can see some of the other exiting options that we have been tracking [slide 6]. We have five non-congregate shelter locations throughout the valley, four of which are for adults without children. Those have served over 1,800 individuals, but we want to highlight our family location because of the impact that it has on multiple systems across southern Nevada. We have been able to serve 784 families at our family hotel as a non-congregate shelter. That is over

1,700 children that we were able to shelter. With that, we diverted 719 families from having their children removed and placed into Child Haven or foster care. In addition, 148 children were able to be reunified,—exiting foster care and going back with their caregiver by having a place like this to begin those in-home safety services or obtain stability when inadequate shelter was the only root cause leaving them in foster care. The power of recruiting children with families sooner and avoiding child removal upon that first contact could arguably be a greater return on investment than this slide is about to show [slide 7]. Our total potential savings is a net savings of \$31.8 million. Out of 1,584 children that we were able to keep with their family, we save \$10.1 million in Child Haven costs. The average length of stay for a child at Child Haven is eight days, and from there, they are put into a foster home. If those 1,500 children went into foster care, we would have expended \$45.1 million on that service. The 148 children that I mentioned before that we were able to exit from foster care resulted in a \$4.9 million savings in the number of days that we have been open utilizing these locations. They allow us to practice diversion prevention and family preservation with our families, and all locations often allow a place through our housing first model that we follow.

Dagny Stapleton, Community Housing Administrator, Clark County:

I want to go through some of our affordable housing programs that we have at the County. In April of 2022, Clark County created the CHF and the Welcome Home Programs that are funded with CHF dollars. This CHF Fund represents a historic investment in affordable housing by a local government in Nevada. The fund is now up to \$200 million approximately, either awarded into the community or earmarked for future projects. This is the result of a real commitment by the Clark County Commission and County leadership to alleviating the affordable housing crisis that we are currently experiencing in southern Nevada. The new programs that the County created are things that were being discussed by the County prior to the pandemic. We got to prioritize with a boost from the ARPA funds that came in 2021. The CHF is like a housing trust fund similar to what other local or regional governments across the country have created to support building additional affordable housing. We have done that in a handful of ways. One of the primary ways is as a source of gap financing for permanent affordable housing development. Referring back to the stair step, we are about halfway up—multifamily housing that can be permanent housing for low-income folks. Folks that are generally at 60 percent of AMI in southern Nevada and below, which equates to rents of about \$975 a month and below for a single person or \$1,300 and below for a family of four. A lot of these projects are funded with the federal low-income housing tax credits and other public funding sources. The Housing Division in their presentation earlier went through how this housing gets built. Our CHF fund is for that gap financing, the additional financing that those projects need. In 2022 and 2023, we awarded \$105 million for both new construction of affordable housing units and to rehabilitation existing units. That supported approximately 2,500 units of affordable housing in southern Nevada. We currently have a second funding round open for \$70 million, and we expect those dollars and the projects that those dollars will support to be announced in the coming months. In addition, because there is a great need for permanent supportive housing, which has been discussed in the presentations today and which is one of the other steps on the stair step that we saw earlier, we opened up a funding round for \$20 million to pay for both development and services to build more permanent supportive housing units. That is rental housing with services including targeted case management and connections to other services for folks who are at very low-income levels and need those services to be able to be healthy and successful in housing. That funding round is in part funded with our HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) dollars.

Looking to the future, we expect to have annual CHF funding rounds, not as large, perhaps as \$70 million or \$100 million, but funding that can continue to support construction or rehabilitation of affordable housing each year. Another affordable housing initiative the County is undertaking, and we are excited about using our CHF funds, is the creation of a Community Land Trust (CLT). This is a program that creates affordable homeownership opportunities for households that are priced out of the housing market. For those not familiar with a CLT, there are over 300 CLTs across the country. How those work is that a CLT, which is the County in this case, provides and owns the land upon which homes are built, and then the homeowner buys the home at below market price that is set by the land trust. The home buyer also enters into a ground lease with the CLT for the land upon which the home is built. Community land trusts are also called shared equity homeownership, as the homeowner is able to build equity but not quite as much as they would for a market rate home. When a CLT homebuyer then wants to sell their ground lease, it requires that they sell their home to another low-income homebuyer so that the resale price of those homes are restricted. The portion of the equity that the homeowner does not earn due to the restricted price stays with the land trust and is partly what allows future low-income homebuyers to receive the same benefit and access a home at an affordable below market price. The CLT model creates a permanent supply of homes for workforce and low-income homebuyers, hopefully for generations to come.

There are two projects in the pipeline here in Clark County for the Welcome Home CLT; one for 30 homes on a parcel that is already County-owned in the City of Las Vegas. The second for 210 homes on a BLM parcel in the southwest that the County has applied to the U.S. Department of the Interior, Bureau of Land Management (BLM) to purchase for a reduced price. These homes will be below 100 percent AMI predominantly at or below 80 percent AMI, and we expect the program to go live in 2025. With the structure that the CLT has, we expect it to keep providing homeownership opportunities for the many households in southern Nevada that will unfortunately remain priced out of the housing market into the future.

A few other things that the County has done to incentivize and assist with the development of affordable housing are that Clark County was one of the first local jurisdictions in the State, and it has been about three years now since the County created development fee reductions for affordable housing projects. For a qualifying project, those with units below 80 percent of the AMI, a portion of comprehensive planning fees, building fees, sewer and fire fees are reduced, and some are waived entirely. Those projects also receive expedited permitting. In addition, the County has, for a long time, had a density bonus for senior housing. Beginning this year, our development code was amended to allow qualifying affordable housing projects to apply—all of them, not just for seniors—was only for seniors as well as a parking reduction. Knowing that the cost of land is a large barrier to the development of affordable housing, the County also undertook a project to catalog all of our County-owned parcels. The County does a lot of infrastructure projects and provides a lot of infrastructure across the valley and does have some surplus land. We look through our vacant parcels and identified a few that can be used for affordable housing. This includes the parcel in the City of Las Vegas on Rebecca Street that will be used for the land trust as well as other parcels that we expect to make available at no cost to developers. The County has also purchased parcels specifically for affordable housing. We purchased a parcel on Lake Mead in the historic west side upon which we are subsidizing the development of 76 affordable housing units. I want to recognize the Legislature and the Housing Division, as there are \$11 million of HMNI State ARPA funds in that along with under \$15 million of County funds and the parcel. We are also looking at the purchase of other parcels.

Finally, working with the BLM, we will continue to use the provision in the Southern Nevada Public Lands Management Act (SNPLM) (S. 94, 105th Congress) to purchase land from the BLM at a very discounted rate, currently \$100 an acre. We have successfully applied for these parcels in the past and currently have one application in and expect to have more later this year. All of these programs I have discussed are in addition to our historic programs that the County always had and that others have discussed, including our HUD Home Program. We have HOME-ARP funds, our private activity bonds. This is a summary of our new efforts and our Welcome Home programs.

Ms. Jacob:

For the people who may be listening in the public, there was some reference to Child Haven by Ms. Barnes, and I know the legislators from southern Nevada are certainly familiar with what Child Haven is, but Child Haven is Clark County's emergency shelter for kids. It is run through our Department of Family Services. Usually when we have to bring a child into a safe space on very short notice, that is an emergency shelter that is operated by the County. I also wanted to comment on her slide about the savings was meant to show that investing in preventative activities and prevention really does show results, and we are trying to think about that in the County.

For those who may not know, SNPLM is the Southern Nevada Public Lands Management Act, but it is federal legislation that allows us to acquire some of the BLM land that she referenced. I thought I would define some of the acronyms for anybody who is not familiar with Clark County.

I want to talk about some of our current initiatives and next steps. This really exciting, and I want to say that we bring these up because these initiatives are going to connect into the housing services that we have funded. We recently—at the end of December—our Board of County Commissioners heard an update on increases the County was able to make to rates for nursing home care, long-term care for indigent clients of County. We increased the rates and provided for a medically complex and behaviorally complex rate. We actually saw some immediate results. It is years in the making, and it was using funds that we were able to free up in the last legislative session to invest in this long-term care. We saw one example of a patient living in the hospital for 592 days because they could not find a bed that would take an indigent client. Because we were able to do the rate change, the client was accepted into a facility in October. We had started launching those behaviorally complex rates in the fall; we got the client accepted in October. The medically complex rate—We had a client who was in the hospital for 317 days, and the facility accepted that client in September. Our current wait for placement now with the rate change is approximately 15 days, which is tremendous if you think about 500 days and 317 days, and we have been able to successfully partner with those facilities, and it is helping to stabilize people in our community.

At our last Board meeting, the County approved purchase of an empty hospital that is going to be reconfigured to be our first Crisis Stabilization Facility in southern Nevada. This is part of the overall continuum, and we will provide services for those in behavioral health crisis and assessments. Also, if a person is experiencing homelessness, we will be able to case manage and link them into our transitional housing programs and other programs that we are funding. The third thing I would like to mention is we are funding Medically Assisted Treatment (MAT) in the Clark County Detention Center (CCDC). That began in February, and next we are working on post-discharge case management where the MAT, if needed, could be continued in a private setting. Then we will be transitioning upon discharge to

sober living homes where we can wraparound case management and eventually into one of our longer programs that Clark County is funding.

I want to acknowledge in our audience is our new Director of Social Service, Jamie P. Sorenson, who has joined the county just a few months ago. A priority for us is services for older youth, and for the first time we are partnering with SNRHA on some vouchers that we received in our community. They are called Foster Youth Independence vouchers, and we can get a maximum of 50 per year under that federal program. This is an exciting innovation that is newly eligible for us in our community. It is going to help support some of our kids who are aging out of foster care and help to keep them stabilized and have access to housing services.

Chair Spearman:

Do we have any questions? Assemblywoman Backus.

Assemblywoman Backus:

I am proud of Clark County. I have served some of our kids in our foster care system as a Children's Attorneys Project (CAP) attorney, and years ago it was always so frustrating that kids could get removed for being in an unhoused family as part of neglect. As an attorney, I saw the burden on the system that we were paying for foster care and the lifelong effects on the family. I get excited about what you are doing to ensure that we are funding the cost of housing so these families can avoid the inevitable situation if they did not have the housing. I really like it, and it was very nice to tour the facility that you have. It is a positive comment about that.

Chair Spearman:

For your foster care youth—I have been racking my brain trying to remember the bill number—but in 2021 we had a bill that would allow people to save money, both for foster care and those who are receiving social services without reducing their benefits.

Ms. Jacobs:

I believe that we are working on that program with the Treasurer's Office, and not all of our kids qualify, but the ones that do, we want to qualify our families for that and make it eligible for them. I cannot remember the bill number either, but I know what you are talking about. Absolutely, we will continue to work on that.

Chair Spearman:

Any more questions or comments?

B. HELP OF SOUTHERN NEVADA

Chair Spearman:

We are now on the presentation from HELP of Southern Nevada. Thank you for patiently waiting.

Fuila Riley, Chief Executive Officer, HELP of Southern Nevada:

HELP of southern Nevada is a local service provider in the southern part of our State. We have been serving our community for more than five decades. ([Agenda Item VI B](#)) Our HELP Street Campus is located on East Flamingo Road in between Maryland Parkway and Spencer in the vicinity of the University of Nevada, Las Vegas campus. We have nine service departments with approximately 200 employees serving thousands of unduplicated clients annually. HELP of Southern Nevada focuses on preventing and ending homelessness, one individual, one family, and one youth at a time. Under our Preventing Homelessness Programming, we have rental and utility assistance, and as previous presenters have shared, the need for those has grown [slide 2]. It is much easier and more affordable to keep people in their current housing situations than it is to rehouse them. The difficulty is not just financial; it is finding landlords that are willing to work with the program to house somebody that has been recently evicted. On average, 6,409 households face eviction every month. That is according to the Nevada Supreme Court 2023 Annual Report of the Nevada Judiciary (The Nevada Judiciary, *2023 Annual Report*). It is important to slow the flow into homelessness, and we must take all steps that we can to do that. It is more difficult to provide somebody with housing, even if we are underwriting it, but if they have an eviction on their record, it is near impossible. We have approximately 52 local landlords that are willing to work with us when a client is in programming.

The Housing Division funds the weatherization activities here in our State, and HELP of southern Nevada provides about 65 percent of that weatherization here in our community. Those recipients are usually very low-income senior citizens, disabled, or families with children under six years old. Weatherization, obviously a lot of the money comes from the Department of Energy, which is more for energy savings, but it has entered into the conversation of keeping people housed. These folks are in housing, but it might not be as habitable as it should be. It is not affordable because it is leaking energy, and it costs a lot to run the utilities in those homes. Weatherization has become a very big conversation piece in those folks that are currently housed and part of the prevention conversation.

Then we have Workforce Services. We find it helpful for folks to enter into some training when they want a new career or go in a different direction that maybe allows them to make more money, and a lot of that is driven because rents have risen drastically over the past three years.

Under ending homelessness in our programming, I wanted to point out some of the things we need [slide 3]. It is a multipronged approach. It is not one answer for everyone. Clark County illustrated it with their stair steps with the different approaches. What I am about to share with you is, by no means, to say that we should stop building affordable housing as it exists; it is to bring some attention to a segment that we are sorely lacking in our State. It is important that we continue on all fronts to move it forward; outreach and engagement are super important. Clark County funds most of our street outreach programs. It is important to meet clients where they are at, and sometimes those are places not meant for human habitation, such as washes, tunnels, and desert encampments. Integrated systems are important that we are talking—it is not just the homeless services—it is not just affordable housing, but we need to integrate the systems of judicial, law enforcement, aging and disability housing—all of this needs to work together because often times our systems work vertically. Our clients need us to operate in a horizontal manner because they tend to need all the systems to solve and work through long-term stability.

At HELP of Southern Nevada, these are the types of housing that we operate: emergency shelter is our Shannon West Homeless Youth Center; there is a transitional, rapid rehousing

programming; and permanent supportive housing [slide 4]. Emergency lodging is where we place a family into a motel until we can navigate them into a system that is existing and/or programs and options that are available to them. These are the populations that HELP of Southern Nevada serves with our housing inventory that we have [slide 5]. I did not list the veterans separately, but when we encounter a veteran, we immediately connect them to the veteran services, whether that is the VA or other veteran providers, and they take over the case management.

Keys to success—these are just a few, and it is important that everyone understand that it is not just one thing that solves homelessness [slide 6]. It is a big hug of support services to wraparound them completely. What is our biggest challenge to ending homelessness when we have an individual in front of us or a family or a youth? It is the lack of permanent supportive housing for the extremely low-income, and that is 0 percent to 30 percent AMI. A lot of our affordable housing is 30 percent to 80 percent. What do we do with the 0 percent to 30 percent? Where do they go? I took this slide from our friends at a Corporation for Supportive Housing [slide 9]. This was at the latest legislative session, the AB 310 presentation. It is defining what supportive housing is as well as how many homeless people they believe are in need of supportive housing in the State. Supportive housing is cost effective, and this is a better illustration: one year of supportive housing equals three days in the emergency room or three months at CCDC. Supportive housing includes the case management, connection to others, and guidance to other services. It is connecting them to any benefits that are around; it is connecting them to the other service systems that I shared previously. From the AB 310 presentation, the current average rents and the income required for the median income renter [slide 11]. This is HELP of Southern Nevada income limits that we utilize [slide 12]. I mentioned the 0 percent to 30 percent. On average, our clients are at 18 percent AMI. That is about \$11,000 annually. If you break that into a monthly income that should go towards housing, it is about \$300 a month. The question that I posed earlier, where do they live? According to the National Low-Income Housing Coalition 2021 Gap Report (*The Gap: A Shortage of Affordable Homes*, National Low-Income Housing Coalition, March 2021) there are 17 available homes per 100 households in that 0 percent to 30 percent AMI that is available in our State. As you lead our State into solutions to affordable housing, I would implore you to keep in mind how sorely lacking this segment of affordable housing is. This is not me advocating to stop building affordable housing as we know it, but we should pay attention to this segment of affordable housing for the extremely low-income. On behalf of the thousands of our neighbors that need to access our services every year, thank you for the opportunity to share our perspective.

Chair Spearman:

Any questions? Any questions up north? The statistics are startling and depressing, but thank you for doing what you do.

C. VETERAN AFFAIRS SOUTHERN NEVADA HEALTH CARE SYSTEM

Chair Spearman:

We will move on to Veteran Affairs Southern Nevada Health Care System. Please start when you are ready.

**Heather Berard, Housing and Urban Development Veterans Affairs Supported
Housing Program Coordinator, Veteran Affairs Southern Nevada Health Care
System (VASNHCS)**

To give you an overview of what our program looks like, we have 1,419 vouchers that we partner with SNRHA to assist our veterans in obtaining permanent supportive housing. In order to do that, we have a very diverse and large interdisciplinary team of approximately 66 staff. We are 95 percent staffed; we have three vacant positions with two of those onboarding. We have licensed clinical social workers who work with our veterans to help maintain their housing. We have peer support specialists who help veterans with lived experience from the recovery standpoint. We have recently brought on occupational therapy and recreational therapy to our programs to assist veterans in ensuring they are able to stay in their homes longer, be safe, and have activities that they can be involved in to increase and improve their quality of life. We currently have 1,224 of those veterans on vouchers housed; that is about 86 percent. I know you have been asking about veterans who were not eligible for VA health care, those who may have had an other than honorable discharge or have been discharged and unable to obtain VA medical benefits. Right now we have 111 veterans in our program, either housed or in process, who are under what we call "expanded eligibility." We work closely with our eligibility departments, and if we have any veterans who come in that may have a discharge that does not allow them to be eligible for VA medical care, we ensure they are eligible for housing programs. We have been doing that for a couple of years.

Chair Spearman:

You said you have 1,000 veterans who fall under that other than honorable discharge?

Ms. Berard:

It is 111.

Chair Spearman:

Can you do me a favor? If you can find out from them the circumstances of their other than honorable discharge, and if it happens to be under "don't ask, don't tell," can you make sure that you point them in the direction of Nevada Department of Veterans Services so they can get that upgraded and they can access full benefits?

Ms. Berard:

We ensure that veterans who have those other than honorable or erroneous discharges are connected to our Veterans Benefits Administration colleagues so that they can work on upgrading those discharges, if that is what they want to do.

Chair Spearman:

Thank you.

**AGENDA ITEM VII—PRESENTATIONS ON PROGRAMS ADDRESSING
AFFORDABLE HOUSING SUPPORTIVE SERVICES PROVIDED TO THE
UNHOUSED IN WASHOE COUNTY**

[This agenda item was taken out of order.]

Chair Spearman:

There is really bad weather that is getting ready to hit northern Nevada. It is going to be out of order, but I would like to call Washoe County, so those of you who are there can get home safely.

A. WASHOE COUNTY

Cadence Matijevich, Government Affairs Liaison, Washoe County:

Good morning, Chair Spearman and Members of the Committee. We appreciate your consideration with the weather. Joining me today from Washoe County's Community Services Department is our Planning and Building Division Director, Kelly Mullin, and from our Housing and Homeless Services Division, Director Dana Searcy. I will hand it over to Dana to begin our presentation.

Dana Searcy, Director, Housing and Homeless Services Division, Human Services Agency, Washoe County:

Today, we would like to take you through an overview of Housing and Homeless Services at Washoe County, look a little deeper at the Nevada Cares campus and what is happening at that site, and then also talk through our development policies and incentives for affordable housing. ([Agenda Item VII](#)) At Washoe County, we have worked through sharing publicly where our focus is. At the County, we are looking at below 60 percent AMI, and that emergency shelter and that permanent supportive housing that you just heard about as being so critical. The Cities of Reno and Sparks in our area are focused a little higher up in that spectrum looking at that workforce housing and affordable housing options. Washoe County is over 6,500 square miles and includes the Cities of Reno and Sparks, and we just touched over half a million on population, 501,635. About 116,000 of that is the unincorporated Washoe County.

Regionally, we have several priorities when we are looking at housing and homelessness. The first one is about shared centralized data. We now have 94 percent of all service providers reporting into a single database. It is helpful for us to be able to share exactly who is experiencing homelessness and what are those trends and needs out of that database. We also work on unified regional outreach. As we see in many different communities, there are lots of service providers. We have over 40 different organizations working with us, and it is critical that those organizations talk and meet frequently to organize those efforts. Housing clients faster is focused on having staffing meetings, we call them case conferencing, and identifying who needs help, what services are out there, and how can we quickly match people up in the most efficient manner. The fourth priority is sheltering the unsheltered. It was extremely important to our community that we had enough emergency shelters so anyone looking to move into shelter has the opportunity. Accessible care for all is about appropriate staffing ratios both on our front-line staff level, but also at the case management and behavioral health level. A regional approach to affordable housing—We work very closely with Reno and Sparks and NRH in the area to make sure that we are all moving in the same direction.

Taking a look at the budget and how we are spending dollars at the County—The annual operating budget for Homeless Services is just over \$35 million. It includes the initiatives that are listed here [slide 7]. The Nevada Cares Campus is the main shelter, and the Our Place facility is for women and families. The northern Nevada Continuum of Care (COC) and Built For Zero initiatives are all about that regional coordination. Those are within our Division also, as well as the elected Community Homeless Advisory Board with

representatives from Washoe County, Cities of Reno and Sparks, and the Sheriff's Office Outreach Team. We continue with the initiatives on the housing side—we did receive the emergency rental assistance. Quite a bit of funding went out through the County since the pandemic. We have a huge focus on tenancy support. We are housing a lot of people out of the campuses, and the focus is switching to how do we help support people that are newly housed to be able to keep them housed. We also have the Washoe County Affordable Housing Trust Fund \$2 million dollars was put into that of the ARPA funds, and those are in the process of being given out right now. We have the housing, building, and planning areas.

The Nevada Cares Campus—I know there are a lot of slides here, but we wanted to ensure that you had a full overview of what the Campus provides. It is more than just a shelter—there are a lot of services on site. When it was first built, it was about having enough capacity to make sure that everybody who would like to be in shelter has that opportunity with enough space to socially distance. We have brought in case management, behavioral health, medical services, and so on to make sure that this Campus functions as a one-stop shop. People can stay there and receive the help that they would like to. The Campus focus is on a reduction of barriers. There are pets allowed on site. There are no requirements related to IDs (identification), sobriety, or criminal history checks. It truly is a low-barrier shelter in our region. This is a snapshot at the budget of the funds that went into the Care Campus. The initial funds were through an interlocal agreement with Reno, Sparks, and Washoe County to get that construction off the ground. We received a HMNI Grant from the Housing Division of almost \$22 million for supportive housing that is being built on that site right now [slide 11]. Other funding includes federal appropriation, capital campaign, and some additional Washoe County ARPA funds. This is a true collaboration—local, State, and federal funds along with the private sector have pitched in and made this a priority. This is a map, and breaking down that map, the safe camp is, and we are going to look through all of these pictures and see what it looks like, but 50 individual units are on site right now open and at capacity [slide 12].

Phase 1 was about building enough shelter capacity. That was the land purchase, the Sprung Construction, and some temporary facilities during the pandemic that opened in May of 2021. Phases 2, 3, and 4 are ongoing right now, and we are going to walk you through what that projects look like. The Safe Camp started as a request from the region to have a place where people could go and live in their tent while we worked on permanent housing. Due to the weather in the area and smoke we had received over the last couple of years from the fires, we decided to turn it into a more permanent option. Today it looks like this [slide 16]. These are 50 modular pod units. They are about eight by eight feet. They do not have plumbing, but they have heating, cooling, and a place for people to plug in electronics and charge things. This area is very parklike—there is a lot of outdoor space, green space, and a training room. This is primarily dedicated for those that are experiencing homelessness and are unsheltered and are brought to us through the coordinated outreach effort.

The main Sprung building is 46,000 square feet [slide 18]. It has six different dorms allowing us to separate populations. There is a secure room for property storage, and it houses about 550 individuals with bunk beds, private cubbies—an eight-by-eight space with locker space and the ability to have pets and belongings with you. Once you start moving forward with a housing plan through a case manager, then you can move into these more private spaces. Permanent showers, restrooms, and laundry facilities were brought on site [slide 19]. We recently opened the Resource Center in December; this is a day drop-in service center for anybody in the community. It is not only for someone who may be experiencing homelessness but also if you are about to become homeless—if you are

missing those rent payments, if you have received that eviction notice, and you do not know where to go—this is the place to start. We have a lot of partners working out of this building—Nevada Legal Services, case managers, and Medicaid providers—you can connect with those resources [slides 20-21]. This also functions as an emergency overflow. There is capacity for 85 in this space and an overnight warming center when we need it.

Currently, under construction is the largest building coming to the site. This is our Welcome Center and includes most of the services, all of our case management, and behavioral health with training and group classes. It will also hold all of the security and intake processes. We have brought in quite a diversion aspect of the campus. If you have anywhere else to be—if we can find a more appropriate place—this is the last place we want you to wind up. We are doing all of that work before we are moving you in. These are a couple of renderings of what it is going to look like—emphasis on light and space and warmth so that people feel welcome [slides 22-25].

Lastly, what has just broken ground and is moving quickly is a Permanent Supportive Housing facility. This building is going to have 50 units of supportive housing. We will have case managers, staff on site 24 hours a day, and it will serve our most vulnerable. There is some common space, access to computers and phones, training spaces, and laundry spaces [slides 26-29].

Taking a look at who we serve at the campus—it is quite a broad range. We have served 2,795 different clients in a year—it is a large number in our community compared to how many people are currently experiencing homelessness, which is not that high. About 210,000 total bed nights—this is people moving out and in of this campus—currently, there are over 700 people on site each day. A full 55 percent of those individuals have a documented disability, whether physical or cognitive; 43 percent are over the age of 55 years old; and almost a third are completely uninsured [slide 30]. We are transitioning—we have seen a significant decrease in our reliance on emergency services and law enforcement response. We know how expensive those services are in our region, and we want to make sure they are freed up [slide 31]. We are proud to see those numbers, and we continue to work through those partnerships to adjust where we can. We also have 34 different partners providing services on site. It was important to the County that this be a community space, not just a County space [slide 32]. The providers come on site; they are provided space to meet with clients, sign people up for benefits, and provide services on site as appropriate. We have also seen our housing numbers increase dramatically. We have tripled the number of people, on average, getting housed into permanent options and out of the Campus. There are countless more positive placements into treatment centers, but this number is directly into housing which is a permanent option where someone has a lease and they do not have to move again [slide 33]. We have seen a decrease in our recidivism rate. Our case managers and appropriate staffing ratios were voted on and approved in the spring of 2022. You can see that large recidivism number of almost 37 percent has quickly started to decrease [slide 34]. We are proud to see these numbers moving in the right direction, and we will continue to follow them to ensure that we are making progress.

Overall, in our community, 94 percent of providers are reporting into one database—we are able to pull a fairly accurate number. Now the number of individuals experiencing homelessness is decreasing, not only in our unsheltered count but our overall counts [slide 35].

***Kelly Mullin, Planning and Building Division Director, Community Services
Department, Washoe County:***

When we are talking about getting into affordable housing development, market rate development, multifamily, and missing middle housing development, in terms of the efforts that Washoe County is going through. There are two things that the Board of County Commissioners has identified as strategic planning priorities for us. One is attempting to spur the creation of additional affordable housing within the unincorporated area of Washoe County. The second is to look for ways to increase the overall amount and diversify the types of housing that are coming online within the unincorporated areas of Washoe County [slide 37]. There are a few ways we are working to do that, and one of those is looking at what the planning and permitting processes are for our jurisdiction. How easy is it to get through those planning processes and the building processes? Are there barriers that need to be reduced or streamlined to make it easier to bring housing online? That is the first set of overall initiatives, looking at softening some of the standards and the requirements that are out there for developing. Third, is establishing incentives specific for affordable housing projects. Finally, setting this up as a series of "priority packages" that we are bringing forward, making changes to our codes, and our processes—making those into bitesize packages so we can achieve momentum and continue to move forward. Recognizing in our beginning stages changes may seem small, they may not seem like they are going to have a huge impact individually, but over time, those small changes can add up and have a larger cumulative impact in the long term [slide 38].

I will walk you through those four priority packages that we are working on this year at Washoe County. This is just unincorporated areas—areas outside of Reno and Sparks [slide 38]. Our population in the unincorporated area right now is about 116,000 people. We are a little less than a quarter of the overall population of all of Washoe County, which includes the Cities. We do have some restrictions in place and in terms of the density and the ways we can develop. We are looking for ways within the area we have jurisdiction over, so we can make a difference. The first set of packages we have is focused primarily on increasing the availability and ability for folks to build an accessory dwelling unit on their property. We have made changes to allow some of those accessory dwelling units—often called in-law units or granny units—be allowed by right in most residential regulatory zones within Washoe County. Then looking to change some standards and making it easier for manufactured homes to be placed as well and bringing Washoe County standards into compliance with the State changes that were made to NRS in the last legislative session.

The second priority package is focusing on diversifying housing types and make it easier to bring multifamily housing online. We are going to be looking at: "does it make sense for there to be a discretionary permitting process for something like a duplex or a triplex on particular properties or should that just be allowed by right?" That may sound small and simple, but we are looking for every single opportunity to increase the types of housing in Washoe County. For those who may not be aware, in the unincorporated area, the vast majority of housing that you see on the ground is single family residential. Most of it would be 30 acre lots or larger for most of the County. We are looking for ways to increase accessory dwelling units, duplexes, triplexes, courtyard homes, and those kinds of homes that you would not traditionally see in the unincorporated area. The set of incentives that we are looking to bring forward later this year are specific to those income-restricted affordable housing projects—looking for ways to soften some of those standards that may be considered barriers. A common barrier you see across jurisdictions in the U.S. is softening some of the parking standards offering density bonuses. Those are not currently incentives that Washoe County offers. We are going to be working through a community process to bring those online. We are also finding ways to allow for starter homes—smaller

homes on smaller lots—looking for ways to bring more of those online in incorporated area of Washoe County.

Finally, this is a piece that is going to take us a little bit longer to bring to fruition, but finding funding sources and establishing programs that would allow for development fees to be waived or reduced for qualified affordable housing projects. Then, throughout all of these efforts, we are going to continue to look if there are process changes and opportunities that we can make outside of code that would make it easier to bring housing online. In addition, we will be working and talking with our regional partners, the Cities of Reno and Sparks, Truckee Meadows Regional Planning Authority, and Tahoe Regional Planning Authority regarding these efforts.

Ms. Matijevich:

Madam Chair, I know that you have said many times that this Committee is looking for ideas of what the State Legislature can do to assist us [slide 39]. I want to say that these items—there are a lot of challenges. From a policy perspective specific to local government, we realize there are some broader policy things that likely this body will consider, but from our perspective, as of right now, we have not identified anything statutorily that we believe that we need. Recognizing you are not a fiscal Committee—for us is funding. You heard Ms. Hess from the Housing Division talk about permanent supportive housing and Ms. Searcy expanded on that. For us, that is a key thing in moving the populations that are taking advantage of the services that we are providing at the Cares Campus, but moving them into supportive housing is perhaps the greatest funding need that we have in this space right now. Additional funding for Washoe County Affordable Housing Trust Fund and then tenancy support. You heard Ms. Searcy talk about the ways that we have been able to reduce recidivism of folks returning to homelessness after we have been able to get them housed. Continuing to have funding for the case managers that help ensure that once we get folks housed, that they remain housed. Then, as Ms. Mullin mentioned, those offsets to allow us to waive or reduce development fees—where those fees would impact our enterprise funds—not general funded but offsets that would be there. Then barriers in funding—We recognize that accountability is important, but sometimes reporting requirements are so onerous that the folks that would otherwise take advantage of it—if you will forgive me—the juice is not worth the squeeze. Looking at places where we can have accountability but also not overly onerous reporting requirements would be helpful. We have provided the website where the dashboard for our Cares Campus is located [slide 40]. There is information we keep updated. You can see what the capacity of the shelter is and other information. The three of us remain resources for you. I am always available. Your excellent staff knows how to get a hold of me.

Chair Spearman:

Committee, any questions? Anyone up north? Are you collaborating with the VA up there with respect to some of the housing? You talk about disability on slide 30. Have you been able to identify any of the people that you are serving in the disability sector as veterans? Here is an adjunct to that—there are some people who are veterans but were erroneously discharged under “don’t ask, don’t tell,” and the Nevada Department of Veterans Services has someone who is supposed to be the outreach person trying to find those people. I am pushing that because if there are veterans involved in the program that are eligible for veterans’ services, that frees up some more money for people who do not have that option.

Ms. Searcy:

Absolutely. That is the first step when somebody enters the Campus—because we are sharing with our community that this is the place to go. We look at “who are you?” and “what do you need?” and if you are what we call “transitioned aged youth,” that is the 18- to 24-year-olds, we are moving you to that program and those experts in our region because that is the most appropriate place for you to be. We have case managers on site. If you come to that site, we are double checking to see if you are a veteran or if you say that you are, we are getting you linked up with the VA and all the services that the VA can offer as quickly as possible and working in collaboration. Yes, absolutely that is a priority to make sure that we can identify what resources you can qualify for and get you there. I do not have an answer specific to the, “don’t ask, don’t tell,” but we can follow up on that and get that back to this Committee.

Chair Spearman:

The other resource that you might look at is the Promise to Address Comprehensive Toxics Act (H.R. 3967, 117th Congress) that was recently passed, keeping a promise to veterans for comprehensive toxic exposure. That may translate to some of the 55 percent disabled and/or their families.

Ms. Matijevich:

I want to give one caveat to the answer that Ms. Searcy gave that has to do with housing vouchers for veterans. That is not something that is within the control of Washoe County, and our County does come to the Reno Housing Authority. I know that you are going to be hearing from other housing authorities. If that is specific information that you are looking for, the Reno Housing Authority would be the source of that information.

Chair Spearman:

I heard someone say something about local. One of the things about Nevada is that we are a Dillon’s Rule State, which means the State has the responsibility and the option of setting standards so anything that we need to do that would simplify the process at the State level. We have the Constitutional authority to do that. This is why I am asking questions about what we need to strengthen, what do we need to do to close loopholes, and that sort of thing, because as a Dillon’s Rule State, we have that opportunity.

B. VETERAN AFFAIRS SIERRA NEVADA HEALTH CARE SYSTEM

Chair Spearman:

Let us go to Veterans Affairs Sierra Nevada Healthcare System.

Tanya M. Jolley, HUD-VASH Supervisor, VA Sierra Nevada Health Care System:

I understand you were looking for some information on the HUD-VASH program. Did you have any specific questions, or would you like me to give you a general overview of the program in the North?

Chair Spearman:

You can do a general overview, but within that context, I am looking at how we make sure that veterans know what is available. Then the follow-up—once we give them the voucher,

is anybody following up to make sure that the veterans are still there, and we are not paying money, and the veteran has moved someplace else?

Ms. Jolley:

A few years ago, the VA rolled out a coordinated entry system program and made specific positions that will work with different key stakeholders. For instance, we have a coordinated entry specialist that works closely with Washoe County in the north to be able to identify veterans who are experiencing homelessness in the area. Once that information is provided to us, we will do an assessment with the veteran, make sure they are eligible for the services, get them tracked for the most appropriate programming for them or the best fit for permanent housing, which often times includes a referral to the HUD-VASH program. Once a veteran is enrolled in the HUD program, they are provided intensive case management services by the VA case management team to work on helping get them into the housing. Once they are housed, they will transition to what we consider our maintenance teams or housing stability teams through the VA, and that case management team will work with the veterans to help them maintain the housing.

An overview of our programming is the majority of our vouchers in the north go to Washoe County. We recently received additional vouchers through HUD to serve this area. We have 544 vouchers to be utilize in Washoe County. We have 142 vouchers to be used in the rural counties or through NRH. We partner with and have ten vouchers in some of our California neighbors to provide the services to veterans experiencing homelessness there. One of the big things we did a few years ago—VA expanded HUD-VASH services to veterans. Previously, veterans had to be health care eligible to receive this service; they do not need to be health care eligible at this point. We are constantly out in the community outreaching to veterans, working with the county/local law enforcement agencies and community partners as they are encountering individuals who identify as a veteran. Then working on meeting with them, verifying their eligibility, and getting them enrolled into the most appropriate programming, whether that is HUD-VASH or another type of programming through the community. We also work to get them employed and have a large variety of services that we can offer them through the VA.

Chair Spearman:

You all use the DD214 [military discharge papers] to make sure that veterans are eligible. Yes?

Ms. Jolley:

Yes, the DD214 is one of the main sources that we use, but we also have access to Status Query and Response Exchange System (SQUARES), and Defense Enrollment Eligibility Reporting System (DEERS) and other services that we can verify eligibility rather quickly. We can verify the veteran even without an active DD214 on hand.

Chair Spearman:

When you ask them, have they served, and some were erroneously discharged under “don’t ask, don’t tell,” if there is someone who has a dishonorable discharge, it could be related to that or other than honorable. When you find those individuals, I would encourage you to send them over to Nevada Department of Veterans Services because they have an outreach person, and the only reason for that position is to help those veterans upgrade their discharge.

There was something I did not say when we were talking about Fannie Mae in the CDBG. During one of the previous presentations, we talked about housing. We talked about CDBG. We may have mixed them together with Fannie Mae, but they are two different programs. When we look for the Fannie Mae money, the CDBG would not cover that. It would be separate.

AGENDA ITEM VIII—PRESENTATION FROM LEGAL AID CENTER OF SOUTHERN NEVADA ON THE TYPE OF CLAIMS AND REFERRALS RECEIVED CONCERNING LANDLORDS AND TENANTS

[This agenda item was taken out of order.]

Chair Spearman:

We have a presentation from Legal Aid of Southern Nevada on the types of claims and referrals received concerning landlords and tenants.

Jonathan Norman, Policy Director, Nevada Coalition of Legal Service Providers:

I am joined by Nick Haley. He is one of the attorneys at the Legal Aid Center who deals exclusively with landlord/tenant matters, representing tenants in eviction cases. ([Agenda Item VIII](#)). Our programs cover CAP. We have 40 attorneys who are representing kids in foster care. Our second biggest program is adult guardianship. We represent protected persons who are either someone seeking guardianship over them or they are in a guardianship. We have a family justice program representing victims and protection orders. We run the Vegas Strong Resiliency Center where we help all victims of violent crime throughout the State. We have an immigration department. We have a special education department where we represent families who are trying to get the proper individual educational plan (IEP) and 504 plan (Section 504 of the Rehabilitation Act of 1973 [H.R. 8070, 93rd Congress]) for their children going through public education. We have landlord-tenant law—which is relatively small for the overall scope of services that legal aid provides around the State. The coalition is made up of the five big legal aid providers in the State. Housing is important, and we are always at the table for housing because it touches all of our programs. It touches our child welfare cases when families are evicted and struggling to find stable housing and enter the child welfare system because of poverty issues. It affects relatives who are the placement for those kids in the child welfare system. It affects every program that we operate, and that is why we appreciate being here for housing. We also operate several self-help centers. The Reno Justice Court has a self-help center by Northern Nevada Legal Aid. The Legal Aid Center of Southern Nevada operates the self-help Center at the Regional Justice Center. There is a Wednesday where we have Nevada Legal Services at North Las Vegas Justice Court.

What are we going to talk about today? The facts from the ground level for tenants. We will talk about summary eviction—what is it and what makes it unique? Habitability—does it work in practice for tenants? Retaliation—what happens when a landlord retaliates against a tenant for making a complaint to code enforcement or for exercising their rights? I recall a hearing during session where there was a bill for neighborhood stability on mobile home parks—I think it was Senator Daly's bill, and there were several courageous tenants who came forward and testified and had real fear that they would be retaliated against. I remember Chair Spearman admonishing landlords to respect the rights of those tenants, and I suspect that is why it is on our agenda today. Then opportunities in housing.

Chair Spearman:

It is also the law.

Mr. Norman:

One thing I always think about is, we have homeless services where we are helping people transition out of homelessness—extremely important work. Then we have evictions where last year 86,000 summary eviction matters were filed in the State of Nevada. There is a big disconnect. We are dealing with homelessness with resources, but what are we doing to keep people from slipping into homelessness? Forty-two percent of our State's population are renters. At the Civil Law Self-Help Center, we assisted 68,000 people in 2023. Almost all of those people are coming in because they are facing a summary eviction. In Clark County, we had eviction filings up 146 percent in January compared to pre-pandemic levels. Then the Point-In-Time Counts show rising homelessness [slide 3]. One thing that I think about having been a CAP attorney representing kids in foster care is we had a 54-percent increase in homelessness in families with children. Then we have almost 1,000 veterans facing homelessness in Clark County.

We talk about housing stock and preserving affordable housing, and I think the Housing Division has done amazing work, but we have Invitation Homes, which is a large home buyer in our community—there was a story in January where they had purchased over 230 homes in a single day. I checked yesterday when I was preparing—they have homes for rent throughout the Las Vegas Valley. In a five-year period, had you invested \$10,000 in Invitation Homes, that would be worth over \$17,000 today. They have reaped extraordinary profits from our community, and yet they were one of the landlords that was investigated by the U.S. House of Representatives as one of the bad landlords—bad actors—during the pandemic. I think it is important for us to remember, as our housing stock gets squeezed and middle-income people are squeezed out of owning a home—then they are renting and that puts downward pressure on our housing stock and drives people into homelessness. I think in public comment they made mention of wages, and they have not increased at a rate to catch up with the cost of housing.

Legislation from 2023—The first three are the ones that were signed into law [slide 4]. I am not going to belabor AB 310 because it was already discussed. We were very supportive of that bill—it provides those services that allow people to be successful in transitional housing, and we will always support anything that bolsters those programs. Senate Bill 381 was a “we really mean it” bill; landlords should not have been charging for things that they already have an obligation to take care of, and this bill made that crystal clear. Then AB 396, I cannot stress enough how important rental assistance is—we have struggled as a community to get those dollars out the door where they meet the moment—to meet the eviction. Clark County has been a wonderful partner, and through the diversion court program, we are getting where that money is meeting the moment and checks will be written at or before the eviction hearing to keep families housed. We are going to have some messaging challenges to make sure that landlords know that the money will be there. Right now, if you go into a summary eviction hearing and observe court, the hearings are fast; we are talking 1 minute, 30 seconds. Our presentation will be 15 minutes; that is ten evictions in the time of our presentation if we do not run long. The judge asks the landlord, “Are the tenants still behind on rent?” The answer is often “Yes.” Then the judge asks, “Are you participating in any rental assistance programs?” The answer is always, “No.” Even if there is a caseworker assigned, the answer is “no” because the landlord wants to have that money/check in hand. We are working diligently to make that happen, and Clark County has been a great partner in that.

Missed opportunities with legislation—Fundamentally, I think everybody on this panel and in the audience is familiar with our summary eviction process, that it is the tenant who is filing the first pleading in court. Assembly Bill 340 would have normalized the summary eviction process which was vetoed. Senate Bill 78 was tenant protections from that initial application fee all the way to the statute of limitations to recover money damages and had a lot of tenant protections throughout the bill with disclosure of fees and was also vetoed. Senate Bill 335 would have extended AB 486 (2021), which was the pandemic error legislation that allowed for a tenant to have their case stayed while they had a pending eviction or a pending Clark County Housing Assistance Program application or rental assistance application. I say a partial extension because it targeted some vulnerable subgroups, seniors, and adults with disabilities. It also allowed enabling language for justice courts around the State to enact eviction diversion programs, similar to the one we have operating here in Clark County. Then AB 298 was presented by the realtors and legal aid. That bill was also vetoed, and that would add tenant protections around fees and had a pilot program for rent stabilization for seniors that lasted either 16 or 18 months. Assembly Bill 218 was transparency and tenant protections.

We have two eviction procedures in Nevada, but summary eviction is the main process. In 2023, we had 86,000 summary evictions either filed or reopened, and that is from the Nevada Supreme Court's Annual Report, (*The Nevada Judiciary, 2023 Annual Report*). We had 838 unlawful detainer matters filed or reopened. When you think of the formal process, it is much longer and has more protections for tenants—we are talking 838 cases, and there are some areas where it is mandated—versus summary eviction, which is very fast, has the tenant filing first, and we have 86,000. Most cases are going to be the summary eviction process.

Nick Haley, Housing Attorney, Legal Aid Center of Southern Nevada:

I represent tenants in landlord-tenant disputes. I am going to briefly discuss the eviction procedures focusing on summary eviction. In Nevada, we have a summary eviction process that starts with a notice mailed and posted on a door to a tenant. This is a sheet of paper that typically will state something along the lines of “pay rent or quit.” There are some other causes for eviction, lease violations or nuisances. In some cases, a person can be declared a “tenant at will” if they are not paying rent at all and never did. The vast majority of the summary evictions we see are called “pay rent or quit.” Typically, the tenant will see this notice, and it presents the information required by law. It reveals, for example, that they can go to the Legal Aid Civil Self-Help Center for further assistance, and we do see a lot of people down there. It spells out their options which are typically: you have seven days to pay rent (seven judicial days), and it works out to about a week and a half; or, to leave the premises, which is “quit.” The process then takes a turn that is unusual in court proceedings. I believe it is the only process I know of anywhere in, any judicial proceeding, that begins with the tenant filing an answer before the landlord files a complaint. It is completely unique in that aspect. There are some issues that arise because of this quirk. There are times, for example, where tenants who came to me after paying rent, and they followed the instructions on the notice allowing them to pay rent—believing they complied—and two weeks later, they received a notice on their door stating an eviction has been ordered and they need to leave. We have been able to unwind matters that have gone that way; however, that is one of the quirks of the process. Even if you have compliance with the requirements of it, there are ways for cases to slip through the cracks and still end up with somebody facing an eviction. After filing the answer, the landlord typically has 30 days to file a “complaint,” and regardless of what type of answer was provided, if an answer is provided and a complaint is filed, there will be a hearing of summary eviction. It is held to a standard comparable to what in court is called a summary judgment. That is, there should

be no facts in dispute and largely, it is a matter of whether or not eviction is entitled by the landlord as a matter of law. In practice, we get into a little factual examination in court; we ask questions; occasionally there are witnesses; but, ordinarily and legally, this is supposed to be something where nothing is in dispute. It is a matter of whether the landlord is entitled to possession of the property.

One of the ways in which summary eviction varies from formal eviction is the only thing at stake in a summary eviction is possession of the property. Oftentimes, we will have landlords and tenants both who believe that perhaps there can be some kind of financial award granted by the court, and summary eviction does not allow for that. There is no remedy for money to be paid. That is the only reason why there are occasionally formal evictions. A formal eviction is simply a lawsuit. It is a lawsuit in justice court of the local jurisdiction, and like any other lawsuit, there is a complaint filed, a summons granted, it is served upon the defending party (in this case, the tenant), then the tenant has so many days to answer. Once the answer is filed, the court schedules a hearing, notifies the parties. Based upon what they find at that hearing, they decide whether there should be a trial. Typically, it is a bench trial that is decided by the judge and at that point, you simply have a court case. You have witnesses called, sworn in, people present their evidence, and they question other witnesses from the other party. It is like any other court case. Summary eviction—we are not supposed to get into factual examination beyond what is agreed upon by the parties. Those are the differences between the two processes.

Mr. Norman:

Summary evictions—86,000 versus approximately 800 in the formal eviction process. This slide goes over those steps that were already mentioned and shows the steps to a summary eviction [slide 6]. When we have done eviction court watching, we will debrief with elected officials. I remember, Clark County Commissioner William McCurdy, II, District D, came one time, and when we debriefed and talked about “what was your takeaway from eviction court watching?” He had timed the evictions, and that is where the 1 minute, 30 seconds for each summary eviction came from. We will get into habitability in a minute, but tenants come and have pictures of their dwelling, and it can be in terrible disrepair, and they are saying, “Your Honor, I want to show you these pictures.” The judge or hearing officer will look at those pictures, and that is not a defense to the eviction, and the eviction is granted. We have people living in terrible circumstances and there is no—they are there pleading their case and showing evidence of roaches, of sinks that do not work, and the eviction is carried forward. We will get into why that happens when we get to habitability. In summary eviction—the tenant as the first filer—they have to know that they have to take action and initiate a lawsuit essentially against themselves. There is misinformation and multiple notices as eviction tactics because if you do not respond to one, that is enough, and you are going to get evicted. It is unique to Nevada. It is unique to—I have not found another civil process that tracks this where a tenant is filing the first pleading.

Habitability—The Civil Law Self-help Center has the best explanation of how a tenant would go about enforcing habitability, whether that is an essential service like air conditioning or something that is considered nonessential. It has the best explanation—it is five pages long, 1,700 words—it is the simplest explanation we have in our State for how a person is able to make sure they are in a habitable dwelling. I think the law does not allow for us to get any simpler. As you are reading through it, there is one path for essential services; there is one path for non-essential services; there is one path if you faced a constructive lockout—if the landlord changed the locks; and there is a different path if there was a citation of the landlord by code enforcement. There are multiple paths with carve outs in each path where it says you cannot proceed down this path if you are not current on your rent. There is a lot

of barriers placed for tenants. Habitability is air conditioning in the summer—we have the summary eviction process which is extremely fast to favor landlords—air conditioning in the summer has to be as important as a landlord having the ability to quickly get their property back in a summary eviction proceeding.

Mr. Haley:

There are multiple pathways in NRS 118A—there are two main ones—essential services and habitability. Essential services are things that a home simply must have—it is air conditioning, heating, a locking front door, drains that work, and a kitchen that works. These are things you simply cannot have a dwelling without for any period of time—you cannot live there. In Nevada, we have a section of law under NRS 118A that provides if a tenant notifies the landlord in writing of essential services issue, the landlord has 48 hours (excepting holidays/weekends) to respond to the complaint. If you were to notify your landlord on a Friday before a three day weekend, they would have until Wednesday to respond to the notice even if it is air conditioning. In that period of time, the landlord has to take some affirmative step to try to rectify the issue. If they do not, the remedy is that a tenant can either vacate the premises, they can try to remedy the issue themselves, they can file a complaint for expedited relief (has to be filed within five days), and oftentimes people exceed the five days before they even know about this remedy, and beyond five days, you cannot file a complaint for expedited relief. These are their options: they can move out on their own and try to find another place to live; they can try to fix it themselves; or they can file a complaint quickly against their landlord. This is for essential services—a locking front door, heating, cooling, drains, or kitchen.

Separately, there is a pathway for habitability issues. These are more long term. They affect quality of life but are considered non-essential. A frequent one is mold infestation in the home. It could be holes in the ceiling—we have seen that after rainstorms where there will be a sweat spot on the ceiling and eventually it turns into a hole that ties into the black mold. It can be any number of issues. It can be poor flooring. It could be so many items—I could go on for hours. When these issues occur, the timeline is a bit different. It is 14 days, and it has to be in writing. You have to give the landlord an opportunity to fix it—14 days is the statute for habitability issues. They have to at least take some step toward getting it fixed. At that point, the remedies are similar to essential services. You do not have the complaint for expedited relief, but you can withhold rent; you can try to rectify the issue yourself; if it persists long enough, you could declare the lease is terminated because of the landlords not fulfilling their end of the bargain. What we see oftentimes is a mold complaint where the person does notify the party, in this case, the landlord, there is mold in the home. “Would you please send somebody out to take a look at it?” Weeks pass, the issue is not dealt with, and at this point they withhold the rent. They get a notice of nonpayment; the landlord may or may not address the issue, but they will get a notice of nonpayment because they have not paid the rent. At this point, the law says you have to deposit the rent with the court, and there is an escrow account with the local courts whereby you can deposit your rent in protest of the habitability issue. Most of the people we see are not in a situation to deposit rent because if the issue is bad enough, they might be dislocated. They might be spending that money they would be paying rent on other things such as a temporary air conditioning or temporary heater. They are spending money remedying the issue rather than paying the rent. Oftentimes, they do not have the money for the rent because they are dealing with the issue that is wrong in the first place. Even for those who are able to pay the rent, however, the process is onerous. Already, you have a nonpayment court case levied against you. You are depositing rent even though you are not getting the benefit of the bargain with your apartment, and the process can stretch out for months. For example, I did have one that stretched out for months—a woman who lacked heating in her

apartment for so long it carried into the summer when she was not using the heating thus the facts were a bit different at that point. In that particular case, she did not have working cooling either, and the issue evolved over time. The key being the issue was not resolved even after several months. For most of these habitability issues, unfortunately, the nonpayment ends up becoming the weak spot for the tenant. The fact that they are spending money on other things such as finding another place to live or they are they simply have to buy some kind of temporary heating because they cannot live in a 40-degree apartment that affects their ability to pay rent and defeats the statutory requirements they have to defend against habitability.

Mr. Norman:

The big takeaway is tenants have to navigate this system. You have to know that you have to go to the court and escrow money. You have to be able to get through all these different steps that make it impossible for a tenant to do anything but show up at court with these pictures and the judge looks at them. The judicial officer's hands are tied in that situation. It is not as if the judges are doing the wrong thing; they are following the law. It is not a defense that has been set up properly because they have not escrowed the money.

Retaliation is when a landlord is attempting to end a tenancy by refusing to renew a tenancy, raising rent, decrease essential items of service, or threatening to file an eviction [slide 9]. What can a tenant do if the landlord retaliates against the tenant? They can sue for money damages, for injury, or as a punishment of landlords up to \$2,500. They can raise it as a defense in a retaliation eviction case the landlord files. I can say these are very difficult cases to show proof to the court. One of the reasons is in some of these defenses, the biggest being if the landlord feels to comply with the upgrades that are needed, they need to alter the property to such a degree that the property needs to be vacant, they can simply give a 30-day notice and have the tenant move out. While we have these protections in practice, I think they are very difficult for a tenant to take advantage of. I know we have seen circumstances where our attorneys feel like retaliation has happened, but to bring a case and prove it is very difficult.

Mr. Haley:

Retaliation circumstance that we see most frequently, for example, is a person complains of a habitability issue, the landlord responds says, "look, this is a very onerous fix. I am going to have to have access to the property. I can't have somebody living there while we are doing these repairs." The person moves out, and there is no follow-up. We do not know if they ever conduct the repairs, and we have had anecdotal evidence from neighboring tenants stating they just filled the unit two weeks after you left. In other words, there is no mechanism to ensure that if a landlord is in fact evicting somebody for these repairs that these repairs are ever done versus simply flipping the property to another tenant.

Mr. Norman:

We see one of the biggest opportunities to help tenants as supporting rental assistance and the timely delivery. I mentioned Clark County has been a great partner, and I think they are pretty close to being able to put checks in landlords' hands at or before eviction hearings. The idea behind diversion court in Clark County was that we would take a holistic view of a tenant and not just "they are behind on rent," but discerning are they not paying their rent because they could benefit from a bankruptcy, or they have other competing bills. You have heard about transitional housing. We think it is extremely important. I think it is important for our judicial officers to have members of the public who are disinterested in the cases

observing eviction court and what goes on because 1 minute, 30 seconds for someone to lose their house is an awful quick time. Another opportunity is supporting the construction of affordable housing. We had the Nevada Housing Division that has done outstanding work in building units and supporting meeting the need—we are short 84,000 units—what that looks like in five years and what are we building out.

I will never give up on normalizing summary eviction. I fundamentally think it is unfair to have a tenant have to initiate a lawsuit against themselves. We could streamline habitability law and essential services so tenants are able to access that. I think good landlords, people in our community, no one wants people living in slums. That is just not something that we want as a community, but we have it occurring in every legislative district in the State of Nevada. That is because it is hard for tenants to access the relief that the law has for habitability and essential services. I think we need to regulate fees—especially application fees—and have conspicuous disclosure of fees charged. Then engage with good landlords—good landlords will get painted with the same brush as the bad landlords. Good landlords have a voice at the table in policing their own industry, not so different than the bar association. We have the code of ethics, and we have discipline when an attorney violates those codes of ethics. It is an important element when industry polices itself. Those are opportunities that we see near and far, the near being eviction diversion court.

As a takeaway, housing is the most important issue facing our community, and we deal with that, or we going to deal with a growing homeless population. The 2024 homeless count I think will come out sometime in the next couple of months. They were recruiting for people to do the Point-In-Time Count. I suspect that those numbers are going to be worse than last year. Last year was worse than the year before. Summary eviction—sometimes being unique is not good. Then habitability should work for renters, and we need to do something to strengthen retaliation so there are more teeth in those laws. I would say the Civil Law Self-Help Center probably has the best resources for tenants or landlords who are in need of legal help.

Chair Spearman:

Committee questions? Senator Stone.

Senator Stone:

Can you outline the timetable that exists for summary evictions today? Usually, a tenant becomes delinquent after four days in Nevada; a landlord can charge a 5 percent late fee; then a landlord can file a seven-day notice; and then we have to wait seven days. If we do not hear anything, and if the tenant does not pay rent, then eviction proceedings can move forward. Recognizing the fact that when you have a lease, you have a legal contract between a tenant and landlord. I agree with you; in every profession you are going to find good landlords, bad landlords. You are going to find good attorneys, bad attorneys, good pharmacists, bad pharmacists. As a compassionate landlord, I believe in habitability. I do not see my tenants as numbers—I see them as people. Obviously, one of the biggest factors here in southern Nevada is we have tremendous heat for three to four months out of the year. We have backup plans in the event that somebody loses their air conditioning—we have portables so we can put in their unit. If the portables do not work, I put them up at a hotel at my expense until I can either repair or replace their air conditioning. We replace about eight to ten air conditioning units per year. I can also tell you that we have never evicted anybody in the six years that I have been a landlord in Nevada—I know I am probably the exception rather than the rule. When you have that contract between a landlord and a tenant with a summary eviction process, you are still looking at probably

three weeks before something can actually happen to that tenant where they have a responsibility under a contract to work something out with a landlord. Can you give us that timeline?

Mr. Norman:

I am going to answer your question in two parts. I am excited that you said that habitability is an important issue to you because I hope in the next legislative session that we can work on habitability to make it accessible. I am convinced that good landlords have a playbook that is how you do business—that is how you interact with your tenants. I want to hold landlords to the Jeff Stone standard. I want them to be putting people up in a hotel, having that air conditioning unit ready, because as somebody who is renting, when it says that a landlord has to make an effort, it should be the effort they would make for their own family if they were in that situation. In the next session, going through and taking those things that good landlords do and saying we are going to apply these and these punishments remedies. We must have teeth in the law because if we do not, then we might as well not have the law. Have teeth in the law so those people have the same experience because a lot of people living in the valley are in what we can only describe as slums. The landlords are cycling people through. They are never making repairs—there are instances where enforcement gets involved, and they follow the property. It does not matter if that tenant moves or not, but the number of situations where that happens versus tenants move and that gets rented is where we have some work—I hope it can be bipartisan—because I fundamentally do not think if you see the pictures of the conditions those tenants are living in or if you come to eviction court watching—I will clear my calendar anytime you want and engage with some of those tenants about the conditions they are living in. Every person in Nevada who has a good heart would be appalled. That is my hope for next session, Senator Stone. If you have a BDR for me, I will take it.

Mr. Haley:

I will address your timeline issue. Typically, you are right. As far as the timeline for serving an eviction notice, it becomes delinquent after the fifth day—it is almost like at the second week at Self-Help Center of every month, you see a wave of people coming in with their notices because they come out the same time for everybody. Typically, you have seven days (10 to 11 judicial days). They get the notice on the seventh or the eighth; they got to respond by roughly the 18th through the 20th, somewhere around there. The next day after an answer is filed, the landlord can file a complaint. One day after that—you would be looking at the 21st, and hearings right now are getting scheduled much faster at least in Las Vegas Justice Court. The other courts, at least in the southern Nevada area that I see, are on a much faster timeline lately. We are seeing hearings as quickly as two weeks now. You would be looking at roughly a five- to six-weeks process to be in front of a judge to have your case heard.

Mr. Norman:

Assembly Bill 340—I know we sat down and counted because we made a concession to convert those to calendar days from judicial days—The cost to the landlord of that timeline was not stretched significantly. It depended on the day of the week. There are creative ways to get rid of what I think is a process that is contrary to due process and contrary to how we run civil cases in the entire U.S.

Chair Spearman:

Any questions up North? Assemblywoman Backus.

Assemblywoman Backus:

One thing I know with the court maintaining the count of actual matters that go into the actual eviction proceedings—you said 86,000. That does not really capture the picture of people who are unable to pay their rent and immediately get the “pay or quit” notice and leave their housing. Do we have any numbers that capture what that picture looks like?

Mr. Norman:

We do not. Nobody is tracking the number of notices. Notices do not have to be filed with the court. Anyone who vacates or self-evicts once they get the notice—we have no way to track that. The best we can do right now, unless we had some change to the NRS, would be to look at the Household Pulse Survey, which is conducted by the U.S. Census Bureau, and they can show you data on Nevadans who are at risk of eviction. They are not going to be highly accurate, and they say that they have experimental data collection methods. That is the closest that I am aware of to how many people are facing that self-eviction moment where they are “quitting” the premises.

Assemblywoman Backus:

I know in the 2019 Session we updated the “pay a quit” notice. On that notice, we provide information for the tenants to go to the Civil Self-Help Center. Do we have any other mandated notices that are included in that notice that provide resources or other places that a tenant may get assistance?

Mr. Norman:

Those notices—it is a delicate balance because you do not want to overwhelm tenants. In a lot of instances, there is fear and a lot of shame when somebody gets a notice, and there can be a moment of not dealing with it right away. We struggle with how much information to give because you want somebody to act, and we want them to file an answer. That is what we want them to do. Sometimes when we have too many resources—not that those are not good—but sometimes it is good to point them to one hub and follow up one-on-one.

Mr. Haley:

A tenant facing a summary eviction notice is already in an anxious state—maybe they are not reading it thoroughly. The notice has a lot of information contained on it. It tells them which court to go to (sometimes incorrectly), but 99 percent of the time it is correct on that point. There are some notices I have seen that indicated the wrong jurisdiction—it indicates (as of June 1st, it stopped indicating this) that they could receive rental assistance. We have updated forms where they do not see that information anymore. It tells them where to go, and it tells them what their options are. The notice says, “pay rent or quit.” If it is a non-payment notice, the third option not stated but implied is that you can also answer—it is “pay, quit, or answer.” The notices are more than one page of information crammed onto one page. It is a lot of reading—very dense type, and while it is hard to imagine how to clarify it or what you would remove from it, it is daunting for somebody facing eviction.

Mr. Norman:

We have two “Ask a Lawyer” events for veterans coming up on March 4th and March 11th from 8 a.m. to 11 a.m. We coordinate with Veterans Services a lot in providing legal services.

AGENDA ITEM IX—PUBLIC COMMENT

Chair Spearman:

Now we are at our second public comment. Anyone here in Las Vegas, public comment? Anyone up north with public comment at the table? I see someone sitting in Carson City. Remember, public comments should be kept to two minutes, and we will not comment or ask questions during public comment section. Please begin when you are ready.

Sarah Adler, Silver State Government Relations and National Alliance on Mental Illness (NAMI) Nevada Policy Committee:

It is an honor to follow HELP of Southern Nevada because they are exactly where we are in NAMI, which is the need for permanent supportive housing. It has been thrilling today to hear the Housing Division, Washoe County, and Clark County, all speaking about AB 310 from last session and our two major counties recognizing the importance of permanent supportive housing and putting money and energy to those. Our point with NAMI is that permanent support of housing requires not only the building—which costs money once and then again in 30 years—but it requires ongoing deep rental assistance for those people in 0 percent to 30 percent that HELP of Southern Nevada has been talking about. It also requires ongoing funding for the support of services and the case management. Props to Medicaid. They are working on being able to fund ongoing supportive services. That deep rental assistance, basically the sustainability of permanent supportive housing is something that we at NAMI sought to address with SB 68 last session, and we want to keep before you. My last comment is that LIHTC you heard about as our major tool, that houses people at 50 percent to 60 percent of AMI. It is those people below 50 percent that I hope we as a State can really recognize.

Chair Spearman:

BPS, is anybody on the phones?

BPS:

The public line is open and working, but there are no callers at this time.

Chair Spearman:

We are at the end of our agenda. I want to thank everyone and the Committee, and especially those who were our last agenda item for sticking with us all day and making the presentation. It was certainly well worth it.

AGENDA ITEM X—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:56 p.m.

Respectfully submitted,

Bonnie Borda Hoffecker
Research Policy Assistant

Cesar Melgarejo
Senior Principal Policy Analyst

APPROVED BY:

Senator Pat Spearman, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item IV	Stephen Aichroth, Administrator, Housing Division, Department of Business and Industry	PowerPoint Presentation
Agenda Item V A	Kathi Thomas, Chief Housing Officer, Southern Nevada Regional Housing Authority	PowerPoint Presentation
Agenda Item V B	Mishon Hurst, Deputy Executive Director, Nevada Rural Housing	PowerPoint Presentation
Agenda Item VI A	Joanna Jacob, Government Affairs Manager, Clark County	PowerPoint Presentation
Agenda Item VI B	Fuila Riley, President/Chief Executive Officer, HELP of Southern Nevada	PowerPoint Presentation
Agenda Item VII	Cadence Matijevich, Government Affairs Liaison, Washoe County	PowerPoint Presentation
Agenda Item VIII	Jonathan Norman, Policy Director, Nevada Coalition of Legal Service Providers	PowerPoint Presentation

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