



March 5, 2021

Senator Marylin Dondero-Loop, Chair
Members, Senate Government Affairs Committee
Nevada Legislature
401 S. Carson Street
Carson City, Nevada 89701

Re: SB12 Support

Dear Senator Dondero-Loop and Members of the Committee:

The Nevada Housing Coalition is proud to be a leading supporter of SB12, and we respectfully request your support of this crucial legislation which has the intent of fostering collaboration in order to preserve Nevada's existing affordable housing stock. Nevada has one of the greatest deficits of affordable housing in the country – we cannot “afford” to lose affordable units that could be preserved.

As you may be aware, much of Nevada's affordable housing is within apartment complexes that have been financed with federal Low Income Housing Tax Credits (LIHTC). Similarly, federal HOME dollars, Nevada Affordable Housing Trust Funds and a few other sources of subsidy are used to offset the cost of development and the ongoing need to subsidize rents for low-income Nevadans. However, these sources of subsidy have a time limit on their availability; for example, for most LIHTC projects financed in Nevada the affordability restriction expires in 30 years.

Alarming, many of these projects are allowed to seek termination of affordability after just 15 years – these units are at high risk of converting to market rate. In fact, the Nevada Housing Division estimates that we have approximately 7,600 units at high risk of becoming market rate (which is in fact unaffordable) over the next 5 years. In a real estate market such as today's there will be a strong temptation for those owners to do so. Indeed, Nevada has had so many units exit in the last decade that, even with new units built, the net gain is only 1,356 units. (see Table 1 courtesy of the Nevada Housing Division below).

One goal of SB12 is to greatly increase the number of units that are being rehabilitated and preserved, so that these units are not lost to Nevada's already insufficient affordable housing stock. Through a manageable process of notifications, 12 months before affordability would be terminated or expire, collaboration among the current owner, the affected local governments, the State Housing Division, and potential owners would occur that may well enable the preservation of those units as affordable housing. Of great importance, tenants will also receive 12 months notification that their rent may go up to market rate.

SB12 is one of the Nevada Housing Coalition's top priorities and we would greatly appreciate your support. The Coalition pledges to be actively involved in supporting the implementation of SB12 at the state and local levels.

With respect,

A handwritten signature in blue ink that reads "Christine Hess".

Christine Hess
Executive Director
775-571-3412
christine.hess@nvhousingcoalition.org

Table 1. Nevada Tax Credit Allocation Summary, 2011 to 2020

Allocation Date	New Construction	Renovation	Total New and Renovated	Exiting Units	Net Increase in Inventory
2011	592	163	755	319	273
2012	336	103	439	1,133	(797)
2013	733	314	1,047	467	266
2014	365	310	675	166	199
2015	687	454	1,141	842	(155)
2016	696	919	1,615	1,029	(308)*
2017	919	457	1,376	0	919
2018	1,199	446	1,645	997	202
2019	934	1,249	2,183	760	174
2020	716	830	1,546	108	608
Grand Total	7,177	5,245	12,422	5,821	1,356
2011-2020 year average	718	525	1,242	582	138
2016 to 2020 average	893	780	1,673	579	319