FINANCIAL CONDITION OF PUBLIC HOUSING AUTHORITIES

Bulletin No. 121

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

September 1974

FINANCIAL CONDITION OF PUBLIC HOUSING AUTHORITIES

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1. Assembly Concurrent Resolution No. 12

Assembly Concurrent Resolution No. 12—Messrs. May, Hickey and Dreyer

FILE NUMBER. 110

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the financial condition of public housing authorities in the state.

WHEREAS, Housing authorities in the State of Nevada over a period of years have developed public housing projects providing adequate, safe and sanitary homes at low cost to persons or families of low income, veterans, Indians and senior citizens; and

WHEREAS, The financial stability and solvency of these housing projects are essential if they are to continue to fulfill their purpose; and

WHEREAS, Numerous housing authorities throughout the nation are experiencing a rise in deficits and some of them are facing the prospect of insolvency; and

WHEREAS, The rent limit recently imposed by Congress, whereby rents may not exceed one-fourth of the tenant's family income, is creating for certain housing projects a situation in which revenue from rents will be insufficient to meet costs; and

WHEREAS, Subsidies may become necessary to offset these insufficiencies, and federal and other possible sources of funds for subsidies should be explored; and

WHEREAS, An analysis should be made of matters affecting public housing projects in Nevada, including their financial structures, occupancy rates, operating costs, expected revenues and new development plans in order to determine their financial prospects and ability to meet future needs of the people of Nevada; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to conduct a study of the financial condition and outlook of the housing authorities in the State of Nevada and to report the results of its study with any appropriate recommendations to the 58th session of the Nevada legislature.

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2. Report of the Legislative Commission

To The Members of the 58th Session of the Nevada Legislature:

This report is submitted in compliance with Assembly Concurrent Resolution No. 12 of the 57th Session of the Nevada Legislature which directed the Legislative Commission to study the financial condition of public housing authorities in Nevada.

Assemblyman Paul W. May was designated chairman of a subcommittee that carried out the study. Other members were: Senators Chic Hecht and Joe Neal, Assemblymen Robert R. Barengo and Alan H. Glover.

The Legislative Commission has accepted the report and transmits it herewith for your consideration.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

October 1974

3. Introduction

Prior to the January 1973 convening of the 57th Session of the Nevada Legislature, serious problems began to develop in the nation's public housing programs. Articles featured in national periodicals predicted mass bankruptcies among local housing authorities. To determine the degree to which the problems plaguing other states' authorities were appearing in Nevada, the legislature directed its research staff to send a questionnaire to each state's public housing authorities. A copy of that questionnaire is included in Appendix A of this report.

The responses to the questionnaire indicated that serious financial problems were indeed surfacing in Nevada's local public housing authorities. With this information at hand and since operations of local housing authorities had, for the most part, not been subject to legislative study, the legislature passed a resolution directing such a study. This resolution directed the Legislative Commission to study the financial condition of public housing authorities in the state and to report the results to the 58th Session of the Nevada Legislature.

A subcommittee of the Legislative Commission consisting of the following members was created to carry out the task:

Assemblyman Paul W. May, Chairman
Assemblyman Robert R. Barengo, Vice Chairman
Senator Chic Hecht
Senator Joe Neal
Assemblyman Alan H. Glover

The subcommittee studied state and federal laws, gathered and studied data on programs and problems, visited the facilities of the state's local housing authorities and held public hearings. This report is a result of those activities.

4. Summary of Findings and Recommendations

The subcommittee has learned that Nevada has four local housing authorities that have been successful in producing low income housing under HUD programs.

1. Clark County Housing Authority.

2. City of Las Vegas Housing Authority.

3. City of North Las Vegas Housing Authority.

4. City of Reno Housing Authority.

These housing authorities have done a good job of partly filling a large void in low income dwellings for families, senior citizens and disabled persons in the state's two metropolitan areas.

Public housing authorities combine local control with federal funds. They rely on both rental income and federal subsidies for operating moneys. In recent years, federal operating subsidies have not proved to be sufficient to fund operating deficits in full. This problem has been compounded by federal legislation which has restricted local authorities' ability to charge minimum rents. Authorities have been forced to reduce operating reserves, curtail services and maintenance efforts and adopt rent ranges.

This has had varying degrees of financial impact on Nevada's four authorities depending on their mix of federal programs but, in all cases, the impact has been serious.

The City of Reno came to the aid of the Reno Public Housing Authority by allocating a portion of its revenue sharing funds to the authority. The subcommittee would like to commend that action.

The Housing and Community Development Act of 1974, which was signed into law on August 22, 1974, provides the framework for continued federal support of local housing authority programs and an expansion in numbers of units of public housing. In one form or another, this has been true of past housing legislation packages, and there is no assurance that adequate funding will be provided in the future.

To monitor federal activities that affect Nevada's local housing authorities and to provide for a continued dialog between Nevada's state government and local housing authorities, the subcommittee recommends the activation of the State

Housing Commission as provided for by NRS 315.790. To facilitate the housing commission's assignment, the subcommittee recommends that its composition and duties be revised in accordance with suggested legislation presented in Appendix C of this report.

The subcommittee further recommends that Nevada Revised Statutes relating to public housing authorities be revised and consolidated to remove unnecessary and repetitious language. A draft of this revision has been prepared for introduction during the next session of Nevada's legislature.

5. History and Background of Public Housing Programs in the United States

The following is intended to highlight the programs and problems of United States public housing since its inception some 40 years ago. Through this brief period, there has been little unanimity in answering questions such as, what should be the goals and objectives of public housing? Once the goals and objectives are established, how can they best be carried out? Who should be included in the target group or groups of beneficiaries?

I. Public Housing as Outgrowth of Great Depression

United States public housing began when Congress passed the 1933 National Recovery Act. This legislation created public housing primarily as a public works program which provided employment and slum clearance. The housing produced was intended to serve as a stopoff place for families temporarily suffering economic hardships resulting from the depression.

The beginning of public housing programs in the United States and the basic framework for public housing policy was established by the U.S. Housing Act of 1937. A number of important political decisions had to be made in the passage of this act. The program would primarily be locally operated and financed by federal funds. The construction, ownership and operation of public housing projects would be undertaken through state and local agencies authorized by state law.

The Federal Government paid the cost of the housing developments and local governments provided tax abatement. It was anticipated rent payments would cover the cost of operation. Also, this act required the construction of new public housing units be matched by removal of a substantially equal number of substandard dwellings from the local housing supply.

The legislation was aimed at assisting low income families, upgrading the nation's stock of housing and creating employment and stimulation of business activity. This, of course, was in answer to the severe problems of the great depression.

II. World War II Housing Programs

With the growing war in Europe forcing an emphasis on defense, the United States Congress passed the Lanham Act of 1940 which permitted the use of public housing funds for defense housing. Until late in the 1940's, problems of providing defense housing, housing for returning veterans and the postwar building materials shortage were the primary focus of housing policy. Income restrictions were waived during this period so that housing could be provided for defense related groups.

III. Public Housing Following World War II

The postwar period brought a shift in the nation's priorities to domestic programs including housing. After some 3 years of debate, the National Housing Act of 1949 passed by only a few votes. This legislation called for a decent and suitable living environment for every American family and authorized an expansive program calling for the production of 810,000 units of public housing over a 6-year period (135,000 units per year). The amount of $336 million annually was authorized for this program. In addition to establishing the first national housing goal, the act authorized $1 billion for urban renewal.

The National Housing Act of 1949, like the 1937 act, provided for local government control and operation of public housing coupled with federal financing. Families displaced by urban renewal were required to be given priority in public housing. Also, Congress stressed that public housing was not to compete with private housing.

The Housing Finance Agency (HFA) only had time to begin gearing up its operation when President Harry S Truman, a supporter of public housing programs, requested that the agency reduce its construction of public housing units to 30,000 for the first 6 months of 1951 due to the pressure of the Korean War. Congress never let the program get off the ground after that. The 1952 appropriation was for 50,000 units. In 1953, Congress required congressional authorization for HFA to exceed 35,000 units per year. The 1954 Appropriation Act further limited production to 20,000 units and prohibited future starts without congressional authorization.

In his study, The State of Welfare, published by the Brookings Institution, Mr. Gilbert Steiner depicted the mood in Congress that lead to restricting the public housing programs.

> While Appropriations Committee members are regularly preoccupied with saving money rather than spending it, the savings effort is usually carried on in an impersonal fashion that may even leave the impression that the committee would like to be able to do better for the program. When public housing was being emasculated in the 1952, 1953 and 1954 acts, however, no tone of regret softened the cutting process or veiled legislative judgments about either the value of the program or the competence of its administrators. It was in this period that Albert Thomas (Democrat of Texas), who was soon to start a twelve-year reign as chairman of the Independent Offices Appropriations Subcommittee, told the public housing administrator, "Everyone of you should be fired." The attitude was bi-partisan. Norris Cotton of New Hampshire, then ranking Republican subcommittee member, characterized the public housing statute as "the most monstrous law ever passed by Congress--a law that is utterly impossible of decent administration, that insures that maximum of expenditure with the minimum of results."

There was little activity in public housing programs during the Eisenhower years (1953-1961). The Housing Act of 1954 required local housing authorities (LHA's) to make payments in lieu of local property taxes. Backers of public housing programs could not muster support to get the programs off center. Support for the programs further waned, primarily among Southern legislators, when the Supreme Court rules against the separate but equal concept of segregation. The 1959 Housing Act authorized 35,000 new units of public housing per year. During the period from 1949 to 1961 there were 322,000 units authorized and only 270,000 completed. This, of course, is far below the 135,000 per year target established under the 1949 Housing Act.

IV. Change in Emphasis of Public Housing Programs

During the late 1950's and early 1960's the concept of public housing began to change. More emphasis was placed on public housing's role as an alternative residence for elderly and disabled persons and large families who would not be expected to move out of the poverty category during a foreseeable time. The following Table 1 depicts the growth in elderly occupancy.

The Housing Act of 1961 eliminated the 20 percent gap between private and public housing rental as noted above for elderly and disabled persons. All aged requirement eligibility qualifications for admission of disabled persons to public housing were eliminated and special operating subsidies were made available for authorities to house the elderly. In 1965 the Department of Housing and Urban Development (HUD) was created and given full cabinet status. With this shift came an interest in the provision of services to assist tenants with social and emotional problems and a search for alternatives to the traditional housing program.

Table 1

UNITS SUBSIDIZED BY HUD UNDER
ANNUAL CONTRIBUTIONS CONTRACTS

	1960	1965	1969	1970	1971	1972
Total Units*	593	736	1,035	1,155	1,176	1,260
Units of Elderly	19	98	219	249	280	317

*Includes units under construction and to be constructed.

The nation's public housing programs continued to function as marriage of federal money and local operation throughout the 1960's. The Federal Government provided funds for capital improvements by using the medium of annual contributions contracts. Rental income in the case of a growing number of authorities, however, no longer was sufficient to cover operating expenses. During the early 1960's, services had been stressed at the expense of production. This failed to thwart the serious social problems that developed in many of the urban projects. Dissatisfaction in Congress, which ebbed during the early 1960's, began to surface a few years later, and served to intensify the search for alternatives to the traditional programs.

V. Alternatives

One alternative began in 1965 was a leasing program whereby local housing authorities leased privately owned units and subleased them to eligible tenants. The Federal Government, through an annual contributions contract, made up the difference between the authorities' cost of leasing and the amount the tenant paid for rent. The turn-key programs were developed in the late 1960's. Turn-key, as the name implies, is the purchase of a completed housing package. The Turn-key I program was developed to provide new units more rapidly than the conventional method. The local housing authorities, working with federal officials, invite developers to bid on the building or rehabilitation of public housing structures. Developers submit their proposed plans and the local authority makes its selection and when details are complete places the project under an annual contributions contract. The Turn-key III and IV programs provide for the eventual sale of public housing units to tenants aside from providing public housing directly.

Other ideas that had been around for a while in one form or another were getting a second look. One of these was the use of subsidies to encourage upper and middle income families to upgrade their housing, thus freeing existing units for moderate and low income families (trickle down effect). Albeit some housing was freed up in this manner, it generally was in need of costly repair. Further, the maintenance costs on older dwellings which were vacated tended to be high, and the forces of supply and demand served to prevent overbuilding an area to the point that the price of good quality housing dropped. Another alternative considered was to provide a cash housing allowance to families so that they could acquire their own housing. This option becomes disfunctional if an added supply of good housing is not available and it does not insure that recipients will use the allowance for upgraded housing when available. The concept is being further tested through pilot programs by the Department of Housing and Urban Development (HUD).

VI. The Brooke Amendments

Although some local housing authorities throughout the country were experiencing financial pressure, in general it was possible for the authorities to charge rental sufficient to cover their operating expenses until the end of 1969. The so-called Brooke Amendments to the U.S. Housing Law, sponsored by U.S. Senator Edward William Brooke of Massachusetts, restricted local housing authorities' abilities to raise operating revenues through rental charges. The Brooke Amendment I, passed in December of 1969, established a rental charge at 25 percent of adjusted family income. One hundred dollars per year per dependent could be deducted from the income for each minor dependent child. Families receiving public assistance were exempted.

The Brooke Amendments II and III were passed by Congress in December of 1970 and 1971, respectively. Their effect was a further restriction of rental charges. A 25 percent limit was extended to public assistance recipients and it was provided that their welfare assistance payments could not be reduced accordingly. The $100 income exclusion for each dependent was increased to $300. Further, the law provided that 5 percent of the families' gross income be excluded (10 percent in the case of elderly families). These restrictions on local housing authorities' abilities to raise revenue were enacted with the idea in mind that corresponding federal operating subsidies would be provided. These subsidies proved to be inadequate. So, by the early 1970's, the multiplicity of problems that local public housing authorities faced was compounded by a shortage of operating revenues.

VII. Public Housing in the Early 1970's

The nation's public housing projects had, in a large part, failed to produce a suitable living environment. They were anything but inconspicuous and the tenants felt a stigma attached to them. Racial problems and youth gangs plagued the tenants. Many of the urban projects were populated with poor people who were displaced when slum housing was cleared. These individuals did not leave their social problems behind when they moved into the new housing. As a rule, local housing board members and authority personnel were property management oriented and unable to cope with these complex social problems, and their efforts were frustrated by inconsistency in federal programs.

Operating costs of public housing have risen dramatically. Deficits created by the Brooke Amendments increased to approximately $320 million for fiscal year 1973. Aside from public housing programs, the cost of HUD programs, in general, was soaring. During 1972, HUD Secretary, George Romney, indicated that by 1978 these programs could cost $7.8 billion annually. At the same time, scandals and inefficiencies throughout HUD programs were making headlines.

It was this atmosphere that prompted Congress and the Nixon Administration to act to hold down HUD appropriations and spending authority. HUD, in turn, adopted formulas for distribution of funds which provided insufficient sums to fund fully local housing authorities' operating deficits. For example, funding was provided for only a 3 percent annual increase in operating costs during a period of rapidly rising prices. The local housing authorities were forced to reduce operating reserves which had built up over the years, curtail operations and, with the encouragement of HUD, adopt rent range formulas. A number of authorities had to close down their operations. Others allowed their facilities to deteriorate. During January of 1973, all funds for housing production were frozen. The following excerpt from the 1975 Federal Budget indicated little hope that relief was in the offing.

Recently, a massive study of Federal housing policy found many subsidized housing programs to be seriously defective. Specifically, the programs were shown to:

1. Benefit those relatively few fortunate families who live in federally aided housing, while taxing other (sometimes lower income) families to pay the subsidies;

2. Underwrite new housing construction when good--and far less expensive--existing housing could have been used;

3. Inflate the cost of the housing provided by up to 40% over private market costs;

4. Limit the fredom of individuals to make their own choices; and

5. In some cases, provide benefits valued by the recipients at less than 50 cents per $1 of Federal expenditures.

The study also indicated that adequate housing can best be brought within the reach of those who are without it through improvements in their real income, not through Federal production subsidies.

The Administration's housing study drew attention to the problems of operating public housing. Further review has confirmed that the problems of its residents go far beyond housing, and require the attention of State and local governments. It has also shown that the present system, with local control but Federal financial responsibility, is structurally inefficient and fosters poor management. It inequitably penalizes taxpayers in communities where public housing is efficiently managed to make up deficits in other areas.

VIII. Housing and Community Development Act of 1974

Amidst the controversy that surrounded the nation's housing programs, Congress worked on comprehensive new legislation. Evident during deliberations was a full gamut of political philosophy concerning what form future public housing programs should take. These included various forms of housing allowance, leasing programs, block grants, revenue sharing, continuation of existing programs and combinations thereof. Also considered were a number of ways to water down or neutralize the impact of the Brooke Amendments.

A compromise bill cleared Congress on August 15, 1974, and was signed into law by President Gerald R. Ford on August 22, 1974 (Public Law 93-383). Under this law, public housing programs will continue to function under local operation with federal financing. Most of the new funding authorized under the act is for Section 23 leased housing. Categorical aid programs such as urban renewal are replaced with block grants with allocation based on population, poverty (counted twice) and extent of overcrowding.

New language concerning minimum rents has the effect of repealing the Brooke Amendments.

> The rental for any dwelling unit shall not exceed one-fourth of the family's income as defined by the Secretary. Notwithstanding the preceding sentence, the rental for any dwelling unit shall not be less than the higher of (A) 5 per centum of the gross income of the family occupying the dwelling unit, and (B) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

It is difficult to assess the impact of this change on public housing authorities. Supplemental Security Income payments to aged, disabled and blind persons are considered income and are not calculated to meet "housing costs" under section B above (Section B may or may not apply to Nevada's ADC recipients). Section A may provide a slight increase in rental income. But public housing authorities will still have to rely on federal subsidies to fund their operating deficit. While the new legislation appears to provide the framework for full funding of this deficit, the sums of money mentioned are merely authorizations. The appropriation process will determine the amounts of money available and regulations yet to be promulgated will define programs.

IX. Future of Rent Ranges

In the case of Fletcher v. Housing Authority of Louisville, the U.S. Circuit Court of Appeals, on January 25, 1974, ruled that the inability of an applicant for federally funded public housing to pay rent is not a proper basis for denying, or even assigning a low priority to his application. The court said this is true even if the authority is facing bankruptcy. HUD has appealed this decision and instructed local housing authorities to continue using rent ranges pending the outcome of the appeal.

The 1974 act requires that at least 20 percent of the units of projects placed under annual contributions contract beginning next fiscal year be reserved for persons whose income does not exceed 50 percent of the median family income for the area ("very low income" families). This will force housing authorities to modify their rent range formulas for future projects.

6. Public Housing Authorities in Nevada

I. Nevada Revised Statutes Relating to Public Housing

As noted elsewhere in this report, local housing authorities are organized under state enabling legislation. The State of Nevada's Urban Planning Division's report, "The Housing Situation in Nevada," points out that Nevada's legislature passed the state's first Housing Authority Law in 1943 (NRS 315.010-315.130). This was to enable local housing authorities to be created in order to aid and cooperate with the Federal Government in making housing available for persons engaged in war industries and to provide for the orderly and effective disposition and best utilization of war housing upon termination of the war. This law also outlined the power, duties and operation of housing authorities in the state. Nevada's Housing Authorities Law of 1947 (NRS 315.140-315.790) created a housing authority in each city, town or county of the state and provided that the proper governing body of the city, town or county adopt a resolution declaring a need for the authority to function. This law also expanded and further defined the powers, duties and operations of local housing authorities and created a State Housing Commission empowered to coordinate the activities and undertakings authorized by this law. It also spelled out the powers of state public bodies with respect to local housing authority projects. The State Housing Commission was never activated, probably because no appropriation was ever provided for its operations.

With Korean wartime activity and the subsequent large increases in the military and other personnel working in defense industries in Nevada, the state legislature enacted the Housing Law of 1951 (NRS 315.800-315.950). This law authorized housing authorities to undertake the administration or development of projects to assure the availability of safe and sanitary dwellings for persons engated in national defense activities during a national defense period.

In addition to these laws, which are enabling in nature, the state legislature enacted the State Rural Housing Authority Law in 1973 (NRS 315.960-315.996). This law created the State Rural Housing Authority and gave it authority to act in substantially the same manner as a local housing authority in counties having a population of less than 100,000. This mechanism was directed at the shortage of safe and sanitary dwelling accommodations in rural areas which would not be feasible for rural local housing authorities to remedy due to geographic and economic circumstances.

These laws, with the exception of a few minor revisions and additions, remain unchanged since passage and take up 35 pages of the Nevada Revised Statutes.

II. Local Housing Authorities

As is evident in Table 1 below, local public housing authorities have been established in only six of Nevada's 17 counties and only three counties have units of public housing. Only Washoe and Clark counties have a significant number of public housing units. The 19 units in Lincoln County are remnants of World War II. The Indian housing authorities operate under different legislation and funding than do the city and county local housing authorities and are outside the scope of this study.

Table 1

PUBLIC HOUSING UNITS BY COUNTY
IN STATE OF NEVADA
June, 1973

	Units Under a City or County Housing Authority	Units Under Indian Housing Authority	Total Public Units
Carson City	0	17	17
Churchill	-	26	26
Clark	3,263	32	3,295
Douglas	-	13	13
Elko	-	60	60
Esmeralda	-	-	-
Eureka	-	-	-
Humboldt	-	15	15
Lander	-	-	-
Lincoln	19	-	19
Lyon	0	34	34
Mineral	-	40	40
Nye	-	0	0
Pershing	-	16	16
Storey	-	-	-
Washoe	400	60	460
White Pine	0	9	9
State	3,682	322	4,004

0 = No public housing units
- = No housing authority established

Table 2 provides a breakdown of the 3,682 units under local housing authority jurisdiction by local housing authority and type of program. The units listed under the subcaption "Federally Aided Units" have been subject to the combined problems of restricted rental income coupled with inadequate operating subsidies. The three local housing authorities in Clark County and the Reno Housing Authority in Washoe County are in this category and, hence, are subjects of the legislative subcommittee study.

Table 2

PUBLIC HOUSING UNITS OPERATED BY CITY AND COUNTY AUTHORITIES IN STATE OF NEVADA, JUNE, 1973 (By Type of Program)

Type of Program	Clark County	Las Vegas	North Las Vegas	Lincoln County	City of Reno	Total
Federally Aided Units						
Conventional Family	100	1,220	-0-	-0-	150	1,470
Conventional Elderly	100	475	120	-0-	250	945
Leased (Section 23)	271	-0-	500	-0-	-0-	771
Rent Supplement, FHA 221(d) (3)	100	-0-	-0-	-0-	-0-	100
Non-Federally Aided Units						
Family	124	223	-0-	19	-0-	394
Elderly	-0-	20	-0-	-0-	-0-	20
Total Units	695	1,948	620	19	400	3,682

III. Local Housing Authorities' Participation in Federal Programs

There are three basic types of federally aided housing programs in operation in Nevada. Their numbers and location are outlined on Table 2.

Authority owned family and elderly units, as the name implies, are owned and operated by the local housing authorities. Site selection construction may have been done under the auspices of the local housing authority in the case of a "conventional program," or the completed project may have been purchased under a turn-key program. In either case, the Federal Government by means of an annual contributions contract agrees to pay the principal and interest on bonds issued by the housing authority to acquire such projects. Excess rental income would reduce the federal contribution. Since rental income has been insufficient to cover operating costs, the Federal Government has been forced to pick up the full amount of principal and interest and provide operating subsidies.

Leased housing programs operate under Public Law 75-412, Section 23. The local housing authority may lease dwellings from the owner and sublease to eligible tenants, or it may merely enter into a contract with the owner guaranteeing rental payments at a certain level, and allow for eligible tenants to enter into their own lease with the owner.

Rent Supplement, FHA 221(d)(3) is a program that provides rented and cooperative housing to low and moderate income families. The 100 units in Clark County are operated by a nonprofit corporation.

7. Subcommittee Meetings

I. Reno, Nevada, Meeting

The first of the subcommittee's meetings was held in Reno on January 15, 1974. Prior to the meeting, subcommittee members held an informal discussion session with senior citizen residents of the Reno Housing Authority and toured the authority facilities. The time and place of the meeting were chosen to coincide with the regular Reno Housing Board meeting to insure maximum input from local board members.

Subcommittee Chairman Paul W. May opened the meeting by explaining that the subcommittee was organized to review the problems facing Nevada's local housing authorities, study the Nevada Revised Statutes relating thereto and recommend agreed upon actions to the next session of the legislature. If federal funding were discontinued, subcommittee members would be in a position to make recommendations on a plausible course of action. It was the subcommittee's desire to act in no manner that would be detrimental to the authorities or their residents.

Mrs. Myra Birch, Executive Director of the Reno Housing Authority, began testimony by elaborating on her written response to the Legislative Counsel Bureau questionnaire of January 24, 1973 (see Appendix A). She provided a breakdown of Reno Housing Authority's 400 units.

1. 250 units are specifically for elderly individuals and families.

2. 150 units are specifically for families.

3. 37 units out of the 150 family units house individuals or couples who are elderly.

Referring to Item 5 of the Reno Housing Authority responses, Mrs. Birch said the housing authority applied for 80-100 units of housing in 1969. The following year the application was increased to 150 units of elderly housing and 50 units of family housing to meet the Federal Government criteria. In January of 1973, a moratorium was declared, resulting in the return of the authority's application. Attached to the application was a comment stating that no application or resubmittals would be accepted until further notice.

Mrs. Birch stated that the figures shown on Item 7 of the housing authority responses were a year old. Since that time, the City of Reno has contributed $102,438 of revenue sharing funds to be used for specific purposes such as capital expenditures. The housing authority has received $92,938 of that amount.

A request has been submitted to the Federal Government to use the excess modernization funds, amounting to $19,000, for replacement of equipment, thus releasing the $11,000 approved for this purpose from the operations income. The $11,000 will be spent to provide a cathodic protection system, which is a mandate from the Federal Government to protect gas distribution lines. The estimated cost for this system is from $12,000 to $22,000.

Mrs. Birch discussed Item 10 concerning the Brooke Amendment and its impact on the housing authority. The Brooke Amendment III (December 1971) imposed the 25 percent of adjusted income rent charge to cover all welfare recipients. This resulted in an estimated additional loss of $2,226 per month for the housing authority. She provided Graph A to show this impact.

Mrs. Birch explained that the Reno Housing Authority had no success in efforts to secure funding from the City of Sparks or Washoe County. The authority appealed twice to the Area Council of Governments for funds and each time was referred to the City of Reno. The City of Reno subsequently agreed to provide funds to the authority.

In response to a question from Senator Joe Neal, a member of the subcommittee, Mrs. Birch stated that no applications for housing are rejected. Certain priorities are set by dividing the applications into two groups. These two groups are displaced persons and nondisplaced persons, with first preference given to displaced persons. In each of these groups priorities are given to certain veterans and veterans' families and within each of the preference and priority groups (detailed by policy) priority assignments are made in the following order:

1. Those who have lived in Reno for 1 year or longer.

2. Those who have lived in the State of Nevada for 1 year or longer.

3. Those who have lived in Reno for less than 1 year.

4. Those who have lived in the state for less than 1 year.

5. Those from out of state.

Also, families are given priority over single people, and the housing authority establishes priorities based on rent ranges. The gradual decrease in the number of applicants in the higher ranges is causing a gradual decline in rental income. She later provided the following table to the subcommittee.

VERIFIED APPLICANTS BY RENT RANGE

AS OF

January 10, 1974

ELDERLY

RENT RANGE	Studio	1 Bdrm	2 Bdrm	Total
$71.00 and over	0	0	0	0
70.00 - $51.00	3	5	1	9
50.00 - 31.00	25	98	0	123
30.00 - (7.00)	6	44	-1	51
Total	34	147	2	183

NON-ELDERLY

RENT RANGE	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	Total
$71.00 and over	0	3	1	0	4
70.00 - $51.00	0	0	0	0	0
50.00 - 31.00	0	1	2	0	3
30.00 - (5.00)	5	10	7	1	23
Total	5	14	10	1	30

Mr. Leonard Howard, an attorney for the Reno Housing Authority, noted that, due to insufficient housing, often people must wait for 1 or 2 years. They often lose interest and move.

Mr. Howard attempted to clear the confusion as to the effects of the Brooke Amendment III. He explained that there is an annual contributions contract between the housing authority and the Federal Government Department of Housing and Urban Development. In this contract, there are two payments which the Federal Government guarantees.

The first one is debt retirement service or the guarantee of bonds for the construction and purchase of housing units. The government is liable for this payment. In addition to this payment, the government has agreed to subsidize any deficit in the operation of these units. Until last year, there was no question as to whether the government would pay this operation subsidy in full. He believes that, presently, the government's policy is to try to evade the payment of these operating deficits. For that reason, the subcommittee's concern in the financial condition of public housing is justified.

The Department of Housing and Urban Development did impose requirements on the housing authority in return for its payments. It was agreed that the housing authority would operate in accordance with government regulations and housing standards. The government would be allowed to supervise the housing operation and housing actions would be subject to governmental approval.

Mr. Rusty Nash, an attorney with the Washoe County Legal Aid Society, gave his testimony on the Brooke Amendment III. Mr. Nash said that the passage of the Brooke Amendment III is not the cause of the housing authorities' financial problems. Instead, the fault should be placed on the Federal Government for failing to fulfill its promise to compensate the operating deficit.

He pointed out that, subsequent to the impoundment of federal funds, the Federal Government had suggested that housing authorities attempt to rent to higher income people. In this way, their operating deficits would be less. Pursuant to that suggestion, the Reno Housing Authority's Board of Commissioners passed a resolution directing Mrs. Birch to give preference to higher income people. This resolution has drastically excluded the very neediest of society.

Mr. May suggested a philosophical discussion concerning the housing authority. Exactly what is the purpose of the public housing? Is its purpose to serve the richest of the poor, the poorest of the poor, or is it a final resting place for the elderly?

Mrs. Birch explained that public housing was initiated to supply sanitary, decent and livable housing to those at the poverty level. She went on to say that the poverty level is different in every section of the country. Also, every agency that deals with social services determines its own poverty bracket.

Mr. Glover noted that there is a maximum and a minimum poverty level. Public housing provides housing for the poor, but not the poorest of the poor. If the latter were the case, housing could not be provided for the poor.

Mr. Nash stated that the goal of society should be to provide the basic necessities of life for everyone in the country. Public housing should definitely serve the poorest of the poor because they are the neediest. Also, public housing should serve as a temporary facility to house people who are under financial stress. Finally, the entire situation should be viewed in a broader perspective, rather than focusing entirely on housing.

Mr. William Keegan, a retired employee of the State of Nevada and resident of the Reno Housing Authority, stated that public housing provides the difference between existing and living.

Mr. Dale O. Smith, a past chairman of the Reno Housing Authority, stated that the public housing program was not established to provide for the destitute. It was established with the idea that it would be a nonprofit organization for low income housing. The Federal Government had contributed funds for the initial investment.

Later, with the implementation of the Brooke Amendment, the philosophy changed. The new philosophy made public housing available to all people, including those on welfare. A maximum of 25 percent of their income was to be charged for rent.

The result was that many people paid no rent and, in some cases, even received credit for their rent. As a result of the implementation of the Brooke Amendment, the original concept was completely changed.

Mr. May asked Mrs. Birch what actions the authority would take if Reno, Washoe County, the state and the Federal Government could not provide assistance. Mrs. Birch replied that the authority would have to reduce its personnel. Services to the tenants and the structural appearance of each project would be affected. Tenants would want to move and the projects would deteriorate into slums.

Mr. Jay Baker, Secretary to the Rural Housing Authority and Housing Specialist for the Office of Economic Opportunity, stated that the Federal Government, based on its guarantee of the bonds, would ultimately own the projects.

II. Las Vegas Area Meetings

The subcommittee spent 2 days in the Las Vegas area reviewing programs of the area's three authorities, talking with residents and touring facilities. The session culminated with a public hearing. The director of the three housing authorities, a number of board members and staff worked closely with the subcommittee during the 2 days and attended the hearing.

Mr. William F. Cottrell, Executive Director of the Clark County Housing Authority, began testimony by explaining the original concept and financing of public housing authorities and how this concept changed.

Originally, the Federal Government provided funds to a housing authority to build a project and the housing authority operated out of revenues collected from rental charges. Theoretically, the surplus money was returned to the Federal Government to pay for the principal on the bonds guaranteed to build the project. Through the years, however, the residual receipts were minimal.

In the late 1950's and 1960's, public housing took a turn from its original standpoint and became a housing of last resort. This caused rental payment revenue to fall below the cost of operation for housing authorities. Over a period of time, the Federal Government began to provide special subsidies to low income persons and large families. The housing authorities found themselves renting to a large percentage of public assistance persons. By establishing minimum rents, however, the housing authorities were able to remain financially solvent.

In December of 1969, Congress passed the Brooke Amendment I, which stated that no tenant, except a tenant on public assistance, could be required to pay more than 25 percent of his adjusted income for rent.

Beginning in December of 1970, the Brooke Amendment II was gradually implemented. This amendment stated that a tenant on public assistance could not be required to pay more than 25 percent of his adjusted income for rent, unless his public assistance grant was thereby reduced.

In December of 1971, the Brooke Amendment III was adopted. It stated that public assistance recipients would not be required to pay more than 25 percent of their adjusted income for rent and their grants could not be reduced.

Mr. Cottrell cited an example of the Brooke Amendment's impact on the Clark County Housing Authority. In November 1971, the housing authority opened, for occupancy, a 100-unit project.

Public assistance tenants occupied 41 of those 100 units and each tenant paid $59 per month. When the Brooke Amendment III was implemented, the average rent for those tenants decreased from $59 per month to $4.10 per month. Due to the low welfare payments in this state, many of the rental payments were negative and a few tenants were not required to pay any rent.

The average overall rent for the entire project decreased from $57 to $42. The operating cost for the housing authority was $65 per unit per month. The housing authority was assured, by the Federal Government, that the $23 difference would be compensated for by federal subsidies. The amount of the subsidies, however, is less than the difference. The lack of adequate federal funding, inflation and the determination of minimum wages by the Department of Housing and Urban Development, combined with other difficulties, is creating a deficit in the housing authority operations.

Mr. Cottrell stated that, for fiscal year 1972-73, the operating expenses were $62.12 per unit per month for two conventional housing projects. The dwelling rental charges were $40.01 per unit per month. These figures are arrived at by dividing the total number of expenses by the total number of units per month.

He stated that the housing authority has reduced its staff by six people this fiscal year due to lack of federal funding. Mr. Arthur D. Sartini, Executive Director of the Housing Authority of the City of Las Vegas, added that the consequences of taking measures, such as reducing staff, are not as devastating to the local authorities as to the people served.

Mr. Cottrell said that the housing authority is presently working under an interim subsidy formula. The housing authority receives the amount of its 1971 base year expenses plus 3 percent a year for inflation in federal subsidies.

He went on to say that the Department of Housing and Urban Development is in the process of developing a prototype formula which will reduce the housing authority's subsidies by $400,000 a year.

Mr. Cottrell stated that the Clark County Housing Authority is unique in that it is involved with four types of housing. It consists of 200 units of conventional housing, 290 units of leased housing, 124 units of nonfederally funded housing and 100 units of rent supplement housing. Seven ledgers, rather than one, are maintained due to various accounting requirements for different types of projects. Consequently, the business costs are higher. These areas of concern to the authority are:

1. The future maintenance costs on its new projects.

2. The uncertainty of its' receiving the federal operating subsidy for its leasing program.

3. The effective date of the Department of Housing and Urban Development's proposed prototype formula.

Mr. Sartini stated that the Department of Housing and Urban Development is attempting to force the housing authorities out of business. It would like to replace the housing authorities with a rental allowance program whereby an eligibility certificate would be given an individual to find his own dwelling and negotiate his own lease. Private enterprise would be in charge of the housing program and the housing authorities would be involved only in the issuance of the certificates. On the subject of rent ranges, he said that by adopting rent ranges, the more affluent poor are housed instead of the poorest poor. He would like to go on record as stating that the housing authority was diametrically opposed to this priority system, but it is the only feasible way for the housing authority to remain financially solvent. He said that, after the Brooke Amendment became effective, the housing authority's rent income decreased from $67 to $47 per unit per month. Since 1971, the housing authority has been able to increase the rents, due to rent ranges, to $53 per unit per month.

The Las Vegas Housing Authority now requires a subsidy of $33.21 per unit per month to operate and the Federal Government allocated a $675,397 subsidy to the authority. The housing authority has $179,109 in reserve, which is 40 percent of its total funds. All surplus development funds must be utilized within 2 years after a project development or returned to the Department of Housing and Urban Development. The Las Vegas Housing Authority receives no monetary assistance from the city.

Mr. Sartini pointed out that the housing authority has never had a great deal of welfare housing. Only 393 families, out of 1,615 families, are on welfare. On the applicant list, however, 65 percent are welfare applicants. The reason for this is that the Federal Government moratorium has halted all construction programs and the housing authority has had to adopt the rent range system. It cannot afford to house the welfare applicants under the present circumstances. He raised the question as to the possibility of the State of Nevada's building local housing authority projects.

Mr. Sartini suggested the possibility of the State of Nevada's bonding local authorities to build additional units. Mr. May replied that the suggestion would be discussed by the subcommittee. The State of Nevada, however, has a 1 percent constitutional limitation on its bonding capacity.

Mr. May suggested the possibility of one of the county's political subdivisions' supporting those bonds with the housing authority. He requested Mr. Schorr to poll several states, including Hawaii, on their methods of bonding housing authorities.

Mr. Joe Hansen, Director of the Housing Authority of the City of North Las Vegas, said that the housing authority received a $166,000 subsidy for fiscal year 1973-74 which could be considered to represent a deficit. The housing authority however, is doing well with 500 leased units and 120 conventional units for the elderly. The 500 units were leased 6 years ago, on a 5-year option, and the housing authority is continuing to pay the same rent on the units as in 1968. When the leases expire, it must pay the market rent, which will cost an additional $250,000 a year. The housing authority is presently receiving a $102,000 federal subsidy on its leasing program.

Mr. Hansen explained that the operating costs per unit per month for leased housing are higher than the Las Vegas and Clark County housing authorities. The leased housing is scattered throughout the city and is more expensive to maintain. The total operating expenses on the leased program, including the rent paid to the owners, are $182.43 unit per month. The rent paid to the owners for the leased units amounts to $154 to $159 per unit per month.

III. Carson City Meeting

The subcommittee held its final meeting on May 17, 1974, in Carson City, to accept final testimony and formulate recommendations.

At the direction of the subcommittee, the staff investigated other states' use of bonded indebtedness to finance local housing authority construction.

Mr. Ed Schorr, primary staff person to the subcommittee, stated that according to the Council of State Governments, 18 states have authorized housing finance agencies. Housing development financial powers have also been given to five state housing authorities and to three state departments. These agencies raise funds through the sale of tax-exempt general obligation or tax-exempt revenue bonds. The proceeds from the sale of these bonds are used to make loans at below market interest rates to finance low, moderate and middle income housing.

He went on to review some of the varied approaches the states have used for this form of financing. He explained that, due to Nevada's 1 percent limitation and in view of Nevada's voters' reluctance to raise this limit, Nevada, like most other states, would have to issue revenue bonds rather than general obligation bonds. The proceeds from these revenue bonds would be made available primarily to finance single family dwellings at below market interest rates, thus bringing a quality home within the range of a moderate income individual. Little or no relief would be offered for the financial problems plaguing the state's public housing authorities.

In response to a question from Mr. May, Mr. Schorr said that he was referring principally to the financing of private housing. Other states have used the proceeds from the sale of general obligation bonds to assist their housing authorities, but without a constitutional amendment the 1 percent debt limitation would probably prevent Nevada's entering into such a program. Also, if the loans to local authorities carry a lower interest rate than the bonds issued by the state, the only probable source to compensate the difference would be a state appropriation.

Loans made from the proceeds of revenue bonds would primarily be to assist those persons in the $7,000 to $11,000 income range, which is inapplicable to the financial problems of the housing authorities in Nevada.

Ms. Jan Wilson, legal staff person to the subcommittee, presented her findings and suggestions on simplifying the Nevada Revised Statutes dealing with housing authorities (this has been prepared for submission to the 58th Session of the Nevada Legislature.)

Mr. Leonard Howard, an attorney for the Reno Housing Authority, expressed his concern that any changes in the current law might have an adverse effect on housing authority bonds that are currently outstanding. Ms. Wilson agreed with Mr. Howard and stated that Mr. Russell W. McDonald, former Director of the Legislative Counsel Bureau, and other knowledgeable persons would be consulted before any changes were made in the statutes. She said, however, that she had queried the housing authorities in Clark County and the Reno Housing Authority about the need to keep the 1943 and 1951 laws on the books. If those laws could be removed, only minor changes would be required in the 1947 law, which is the law presently being used by the housing authorities.

In the Nevada Revised Statutes, the Housing Authorities Law of 1947 provided for a Housing Commission to be staffed with five members. To date, the commission has not held a meeting and it is uncertain whether any members have even been appointed. Mr. Howard suggested that this commission act as a clearinghouse and provide housing information to the legislature. Another possibility would be for the subcommittee to formulate a resolution suggesting that the legislature set up a permanent committee to deal with housing problems in the state.

Mr. Robert Rigsby, Senior Urban Planner for the Urban Planning Division, discussed the division's study titled, "The Housing Situation in Nevada." (Data from this report showing Nevada's housing needs is included in Appendix B of the study.) Mr. Rigsby reviewed the findings and recommendations of this study and explained that he had gone to each state agency in order to determine what was being done in respect to public housing. One of the recommendations of the Urban Planning Division is that the Rural Housing Authority be expanded to take over the coordination of all housing activities. The State Housing Commission might be able to do this, but he does not feel that several agencies should be established for the purpose of coordinating.

The Urban Planning Division found, through Federal Housing Administration surveys, that the cost of housing has risen tremendously. He stated that the State of Utah appropriated

$3 million, to be distributed by the Department of Community Affairs, to improve the housing quality of the lower income households. This is a onetime fund to assist temporarily the low income programs that were disrupted by the Federal Government moratorium.

The subcommittee also heard testimony concerning the activities of the state's rural housing authority and legislation pending before Congress (S-3066 was subsequently passed and signed into law August 22, 1974).

<u>APPENDIX A</u>

LEGISLATIVE COUNSEL BUREAU

QUESTIONNAIRE OF JANUARY 24, 1973

AND SELECTED REPLIES

January 24, 1973

Dear Sirs:

The Nevada Legislature has requested that this office obtain the following information regarding the public housing programs within your jurisdiction:

1. The total number of housing units currently operative under your jurisdiction.

2. The total number of units occupied.

3. The total number of units vacant.

4. The total number of units subsidized in any way either directly or indirectly by the local, state, or federal governments.

5. The total number of units contemplated to be constructed over the next five years.

6. A statement of the deficit or surplus of your agency programs for the last three fiscal years.

7. The projected deficit or surplus for the next fiscal year.

8. The total number of employees:
   (a) Administrative
   (b) Maintenance

9. A legal description of any unimproved lands held by the authority whether or not projected for future development.

10. A statement by your agency regarding the potential impact of the Brooke Amendment with regard to your fiscal operation.

11. A brief description of how the operating revenues of your agency are derived, i.e., identity of the principle sources thereof.

12. An enumeration of any outstanding bonds and bonding issues contemplated over the next two years.

13. The amount of payments in lieu of taxes affecting your agency in the last two years.

14. An indication as to whether or not your agency is involved in rent subsidy and how such subsidies effect your program.

I recognize that this request will require considerable effort on your part, but it is imperative that the legislature have this information if it is to act appropriately to meet the best needs of the citizens of this state in the housing area. Therefore, I request your patience and cooperation in developing this information and providing it to us at your earliest convenience. We are, as you know, currently engaged in the legislative session and time is of the essence in this matter.

I look forward to hearing from you.

Sincerely,

James T. Havel
Deputy Director, Research

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HOUSING AUTHORITY
OF THE
CITY OF RENO

MYRA J. BIRCH
SECRETARY AND EXECUTIVE DIRECTOR

P. O. BOX 969   329-3630
RENO, NEVADA 89504

DALE O. SMITH, CHAIRMAN
GEORGE WARREN, VICE CHAIRMAN
H. E. ATTERBURY, COMMISSIONER
ELIZABETH BAILEY, COMMISSIONER
LESTER CONKLIN, JR., COMMISSIONER

February 1, 1973

Mr. James T. Havel
Deputy Director Research
Nevada Legislative Counsel Bureau
Carson City, Nevada 89701

Dear Mr. Havel:

Following are answers to the questions submitted in your January 24 letter regarding public housing programs:

1. Number of units in operation: 400

2. Total units occupied: 396

3. Total units vacant: 4

4. Number of subsidized units: 400 (Debt Service contributions guaranteed)

5. Contemplated Construction: Application for 200 units of Turnkey-Leased Housing is two years old with no Federal action taken to date. It is still on file but even if approved would not entail ownership by the Housing Authority.

6. Agency operating surplus or (deficit):

Agency operating surplus or (deficit):	1970	$ 33,009.15
Breakeven operation:	1971	-0-
	1972	(24,484.63)

7. Projected operating surplus or (deficit:

Projected operating surplus or (deficit:	1973	($ 92,170.00)
Reduced by Operating Reserves		54,540.00 and
Federal Forward Funding		37,360.00
		-0-
Estimated	1974	($156,370.00)
Reduced by Operating Reserves		14,800.00 and
Limited Federal Operating Subsidy		26,132.00
		($115,438.00)

The City of Reno has been approached and the Area Counsel of Governments will be contacted in February to request financial assistance to cover this deficit. Whether or not funding from General Revenue Sharing through these local entities will be approved is uncertain.

8. Total Employees:

Administrative	6	
General Service	1	
		7
Maintenance		8
Social Service		1
Security - Budgeted for 1974		1

9. Unimproved lands: No excess property is owned by the Reno Housing Authority.

10. Brooke Amendment Impact: The initial reduction in rents resulting from Brooke Amendment I (Dec. 1969) effective in May 1970 retroactively to March 23, 1970, was $2,595.39. As of April 1, 1970, monthly loss of rental income was estimated at $1,201.00. The second Brooke Amendment (Dec. 1970 was implimented gradually, as tenants were normally scheduled for redetermination over an eighteen month period, with little change in rental income. The overall loss of rental income from both I and II was in the amount of $16,774.00 for fiscal year ended June 30, 1972. Brooke Amendment III (Dec. 1971) imposed the 25% of adjusted income rent charge to cover all Welfare recipients at an estimated additional loss of $2,226.00 per month.

11. Operating Revenues:
   a) Rent
   b) Earnings from investments
   c) Sales and Services (to tenants)
   d) Laundry facility
   e) Non-dwelling rent

12. Bonds:

1st Series-1959	150 dwell. units	$1,575,000	
Current Balance			$1,293,000
2nd Series-1963	100 dwell. units	$1,100,000	
Current Balance			$ 985,000
3rd Series-1966	150 dwell. units	$2,000,000	
Current Balance			$1,845,000

No issues are contemplated over the next two years.

13. Payments in Lieu of Taxes:

	1970	$19,748.06
	1971	18,976.76
	1972	17,151.35
Estimated:	1973	14,500.00

14. Rental Subsidies: Prior to July 1, 1972, units subsidized for rent varied with tenants qualifying the Authority for subsidy and was computed on the basis of "months of eligibility". Currently all 400 units are aided by "Operating Subsidies" to a limited amount produced through compelled use of an unrealistic Federal formula.

The Reno Housing Authority qualified for $24,484.63 "Rental Assistance" for fiscal year ending June 30, 1972, but to date has not received it due to OMB's withholding of congressional allocations. With the December release of one million dollars for housing we were advised by the San Francisco Area Office of the Department of Housing and Urban Development to expect payment or notice of payment this week. We have not received said payment to date.

For the current fiscal year ending June 30, 1973, our anticipated $92,170.00 deficit was to have been paid through Federal subsidy but first, because advance payments (Forward Funding) went into effect last year, we were requested to reduce our Maximum Operating Reserves to 40% and to apply the difference to reduce our deficit. We were, therefore, approved for a subsidy of only $37,360.00.

Now, new rulings have been set forth for determination of subsidies for 1974. Actual figures for 1972 are used with application of a compounded 3% increase to both income and expense amounts - even though we have had substantial decreases in income and an increased expense of over 6% since 1972 - to compute deficits or surplus. When deficits occur they are reduced to the extent possible by available reserves (in excess of 40% maximum), and we have estimated a $115,438 unfunded deficit.

If no financial assistance is found, our alternatives are few, i.e.

a) to turn the projects back to the Federal Government;
b) to operate at normal capacity until funds are gone and close down;
c) to reduce staff, maintenance and tenant services which, in a short period, could result in substandard occupancy and slum conditions.

I am sure the Federal Government does not wish to assume physical operation of public housing and either of the other two alternatives would encourage slums and cause our families and elderly citizens further human indignities.

Repeal of the Brooke Amendments or further revisions to allow minimum and/or Welfare Rents charged by unit size, to the extent that operational costs are covered, appear to be the only solutions unless the Government wants to pick up the whole tab for its poverty level people. Indications are that a percentage of General Revenue Sharing funds is meant for this purpose, thus imposing the responsibility upon State and Local Governments for housing their poor. In this event, it seems likely that it would be possible for the State, with cooperation from local entities, to compile regulations regarding rent charges for public housing tenants that would offer them needed assistance without financial ruin to the operating agencies.

With this thought in mind, request is made for copies of any proposed public housing legislation for consideration by the Housing Authority of the City of Reno.

Sincerely,

(Mrs.) Myra J. Birch
Executive Director

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HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA
Administration Building, Victory Village, Henderson, Nevada 89015 • Phone (702) 565-4351

ALBERT M. LANDSMAN, Chairman
W. R. "BOB" HAMPTON, Vice Chairman
ART ESPINOZA, Commissioner
HERB KAUFMAN, Commissioner
PHIL WARNER, Commissioner

W. F. COTTRELL, Executive Director
ROBERT E. JONES, Attorney

February 2, 1973

Mr. James T. Havel
Deputy Director, Research
Legislative Counsel Bureau
Carson City, Nevada 89701

Dear Mr. Havel:

This is written in response to your inquiry of January 24, requesting information on a number of facets of our operations. It is difficult to give simple or short answers to some of your questions since this Authority operates five types of housing projects: (1) non-aided Lanham Act housing with fixed rents; (2) other non-Federally aided housing with fixed rents; (3) conventional public housing with rents set at 25% of income; (4) Section 23 Leased housing (sub-leasing of apartments leased from private landlords); and (5) a 221 (d) (3)-rent supplement project. We receive <u>no</u> subsidy of any kind from any source for the first two types of housing, and we receive various types of Federal subsidies on the other three.

In addition we are required to keep accounting records according to different accounting systems prescribed by HUD and FHA; fiscal years vary (most are on a July 1-June 30 basis, but others are on a calendar year). . and we are in the process of opening a new 100-unit elderly project next month, while at the same time we have just closed 518 units of World War II temporary housing and are about to sell another such project with 324 apartments. Therefore statistics are in some cases misleading or overlapping.

With this background I will attempt to provide information on a full and open basis, but caution that interpretations and conclusions should not be drawn without a full understanding and knowledge of the interrelationships between and among various projects, including staffing.

Type of Project	Total	Occupied	Vacant
Lanham (Victory Village)	60	60	0
Lanham (Carver Park)	324	220	104
Non-aided (Brown Homes)	124	124	0

Type of Project	Total	Occupied	Vacant
Section 23 Leased Housing	269	265	4
Conventional Public (Family)	100	100	0
Conventional Public (Elderly)	100	(Scheduled for completion in Feb.)	
221 (d)(3)- Rent Supplement	100	96	4
	1,077	865	112

In connection with the above statistics please note the following in making any interpretations or attempting to draw conclusions concerning occupancy:

1. Victory Village. (1942 temporary housing). This project consisted of 518 apartments; all but 60 have been demolished. The only reason the 60 remain is that the new elderly project (Art Espinoza Terrace) has been delayed in completion; as soon as it is open the remaining 60 apartments will be demolished and the land relinquished to the owners, Basic Management, Inc.

2. Carver Park. (1942 temporary housing). This project originally consisted of 324 apartments. However, 40 of these were permanently closed as required by HUD and FHA upon completion of the 100 units of rent supplement housing (221-d-3) known as Henderson Heights. Due to the very low incomes of many of the residents of this project (approximately one-fourth are on County general assistance) we were forced to reduce the regular rents; during 1972 we spent approximately $31,000 more than we received in income from rents. While expenses (management, maintenance, and operations) were running about $62 per unit monthly, actual rent received was only about $43 P.U.M. Failing to find any other feasible solution to the problem, the Board advertised the project for sale. Bids have just been received, and it appears that this project will cease to exist as public housing by August of this year.

3. Section 23 Leased Housing. We are authorized a total of 290 units under this program with a maximum annual Federal operating subsidy of 345,942. However, in light of changing Federal policies on leased housing we have permitted leases on 20 apartments to lapse without renewal, pending receipt of information on the new formula. Thus we presently have only 269 units under lease; the only vacancies are normal turn-over of tenants (apartments being cleaned for new rentals).

4. Conventional Public (100 elderly). Since these are not yet completed they are obviously all vacant. We have not shown them so, however, since this would be misleading.

5. 221 (d)(3)-Rent Supplement. Again the only vacancies are normal turnover.

Please note that of the 112 vacancies, all but 8 are in Carver Park which is in a transitional stage and being phased out. The only vacancies in standard, Federally-aided housing are temporary vacancies due to tenants moving out.

The units subsidized by Federal assistance are as follows:

Section 23 Leased housing.	.269 units
Conventional public housing (family)	.100 units
Conventional public housing (elderly).	.100 units
221 (d)(3)-Rent Supplement housing	.100 units
	569 units

No direct subsidies are received from any local, county or state agency. The only items which might be counted as indirect subsidies are the regular services of the school district, health district, municipal and county governments who provide their services to tenants on the same basis as other citizens. The Authority makes payments in lieu of taxes for these services, but the amounts which can be paid are less than full taxation would produce.

We have had an application for 600 units in the unincorporated areas of the county pending with HUD for almost three years. We presently have actual funding for 80 such units, but to date we have not been able to determine whether these can be constructed in view of the current 18-month moratorium on construction announced recently by HUD. We would hope to be able to construct 300 to 400 units within the next five years (we have a Cooperation Agreement with the County of Clark for this purpose, in the total amount of 600 units).

In regard to the question of deficits or surplus, this is a difficult area. For instance, the Section 23 Leased Housing Program by definition must run a "deficit" before we are eligible for operating subsidies. In the same manner the 221(d)(3)-rent supplement project must show a "deficit" from tenant rents before the rent supplement comes into force. Further, the "surplus" operating funds of William Brown Homes have been used to subsidize the operations of the Lanham Act projects (Carver Park and Victory Village), which are operated jointly as the "Henderson Project." All of this is meaningful only when viewed in detail in the monthly operating reports and the annual audits which are performed for the non-Federally aided projects (Federal projects being audited by HUD auditors, who are currently 3 1/2 years behind).

The only reserves maintained by the Authority (Approximately $120,000 in investments) are currently being expended (along with other funds) to construct a new administration building, required since the present buinding is located at Victory Village on leased land, the lease having expired on December 31, 1972 and not renewable. Upon the completion of the new building the only reserves remaining will be $20,000 invested in bonds which mature in 1977, and 1979.

The Authority as a municipal corporation does not operate at a "profit," and of course cannot indulge in deficit financing. A reduction in funds (such as is anticipated in Federal subsidies) must be matched by a reduction in expenditures. In the past several months the Authority has been forced to terminate 5 employee positions; with the imminent closing of Carver Park additional adjustments will also be required, offset only in part by the opening of the new elderly project.

The following is a summary of our current employment situation:

	Regular	E.E.A. Funded	Total
Administrative, supervisory and clerical.	14	1	15
Maintenance (all types)..	15	1	16
Totals:	29	2	31

I am not certain that I understand the reasoning behind the request for information on "unimproved lands." However, a number of years ago the Board purchased 80 acres (being the South half of the Southwest quarter of Section 16, Township 21 South, Range 62 East, M.D.B. & M). Of this area approximately 14 acres underlies William Brown Homes (a wholly-owned, non Federally-aided project); another 5 acres was sold to Trans-Pacific Development for construction of 70 town house units which are leased by the Authority on a 20 year lease arrangement; and approximately 2 acres are being developed in conjunction with the new administration building. This leaves about 59 acres undeveloped. Soils tests made in 1968 revealed that most of this area is unsuitable for building, having areas with very high water table and other areas involving expansive soils.

It is difficult at this point to assess the total impact of the various Brooke Amendments, since HUD has not yet evolved a new formula for the Section 23 programs and we do not know what affect this will have for the 290 units authorized. (While the Brooke Amendments apply also to conventional public housing -- 200 units -- they do not apply to the Rent Supplement project, nor to the Lanham Act or other non-Federally-aided project). For the 200 conventional public housing units, we are projected to receive $86,000 in Federal operating subsidies for the year beginning July 1, 1973. We believe these will probably be adequate, but since we are not yet in operation on the elderly project, and have only one year's experience on the 100 family units, we are not completely sure of this at the present time.

I can cite an example of the impact of Brooke III (extending the Brooke amendment to families on public assistance). At the time we opened our new family project in November, 1971, 41 of the 100 families were on public assistance and were paying monthly rents averaging about $59.00 (as against operating costs of $63 per unit per month). After implementing Brooke III those same 41 families were paying rents averaging only $4.10 per month, with some zero rents and a number of "negative" rents. Obviously if this were true of all Federally-aided projects we would be bankrupt without Federal subsidies.

Because of the cutback in total subsidies available the Authority has adopted rent ranges, limiting the numbers of very-low income families in order to preserve the fiscal integreity of these projects. This effort, combined with cost reductions in operation, has to date proved effective in breaching the gap between rents and subsidies on the one hand and total operating costs on the other.

In regard to operating revenues we have only two sources -- rents paid by tenants (being the only source of income in non-Federally-aided projects) and Federal construction and operating subsidies in various forms (for the leased housing, conventional public housing and rent supplement programs). We receive no funds of any kind from the State, county or municipal governments or from any other public or private agencies.

We have no outstanding bonds at the present time. Costs of construction of the 100-unit family project were advanced to us by the Federal government through the issuance of temporary notes; eventually these will be converted to bonds, and the Annual Contributions Contract between HUD and the Authority will provide funds sufficient to service and retire these bonds. No payments have been made to date for the 100-unit elderly project, but it will be financed in the same manner. The 221 (d)(3) rent supplement project was financed by a loan secured by an FHA guaranteed mortgage; the project is owned by a non-profit Corporation (The Louise Corporation) and is managed by the Authority under contract.

Regarding payments in lieu of taxes, the Authority pays both land taxes (leased land in Victory Village) and payments in lieu of taxes on the non-Federally aided projects. In the last two years we have paid $23,015.15 in taxes and "in lieu" payments to the County for distribution to the various taxing bodies. No PILOT payments are due on the Federally aided family project until June 30, 1973; it is estimated these will be about $8,450. No payments are made on the Section 23 project since these projects are all carried on the tax duplicate; the owners pay full property taxes, and of course our rent payments to them cover this as a cost of their doing business. The section 221 (d)(3) project is carried on the tax duplicate and pays full taxes upon the assessed value. Taxes on this project amount to $13,932. yearly.

I am not certain as to the meaning of your last question. "Rent subsidy" is not a specific category of Federal assistance; subsidies are variously related to construction costs, or to interest on government-insured loans, or operating subsidies, or as supplements to tenant rents, depending on the type of program. If you mean "rent supplement" specifically, we have had no indication to date that this program will be changed by any actions taken or contemplated (to our knowledge) by the national administration. As noted above rent supplements provide the difference in revenue between what tenants can pay (normally 25% of adjusted incomes) and the "economic rent" required to meet all project costs, including mortgage payments, operating, management and maintenance costs. The maximum amount of rent supplement available to this 100 unit project is $119,856 annually.

I recognize that much of the above is sketchy and generalized. However, it is very difficult to answer in detail many of the broadly-based questions you have posed, particularly since we (unlike any other Authority in the state) are involved in so many different types of programs. If we had more detailed information on the type of data you require and the purpose for which it is being gathered we would be in much better position to respond in specifics.

Very truly yours,

W.F. Cottrell
Executive Director

Housing Authority
of the
City of Las Vegas, Nevada

420 NORTH 10TH STREET · LAS VEGAS, NEVADA 89101 · 702 382-6694

ARTHUR D. SARTINI
SECRETARY AND EXECUTIVE DIRECTOR

C
O
P
Y

February 28, 1973

Assemblyman Paul W. May
3309 Wright Avenue
North Las Vegas, Nevada 89030

Dear Mr. May:

Very much in favor of the resolution we discussed yesterday that you intend proposing to the state legislators.

Of concern is information I received this morning that the proposed State Housing Authority would eventually act as an umbrella agency and encompass all housing authorities in the state.

It would seem that if, in fact, this is the direction legislation is going to take, a committee be formed to thoroughly study the implications prior to it becomming law. With the Administration's 18 month moratorium, a state agency if created could do nothing whatsoever to provide housing for low income families.

The Housing Authority Commission is still very strong in their opinion that rural counties would be better served if local commissioners acted in the dual capacity of housing authority commissioners.

If you have any questions with regards to the above, please feel free to contact me by phone.

The information you requested on the questionnaire is attached.

Sincerely,

Arthur D. Sartini
Executive Director

ADS/njd
encl.

cc: James T. Havel
Deputy Director, Research

HARRY C. LEVY
CHAIRMAN
JAMES H. DOWN
VICE CHAIRMAN
ROBERT J. GORDON
COMMISSIONER
JAMES M. JONES, D. D. S.
COMMISSIONER
ADDELIAR D. GUY
COMMISSIONER
RULON A. EARL
LEGAL COUNSEL

HOUSING AUTHORITY OF THE CITY OF LAS VEGAS, NEVADA

1. The total number of housing units currently operative under your jurisdiction.

   1,868 Units - 1,615 federally aided, 235 Authority owned non-aided - of the total 495 are aided Senior Citizen units and 20 non-aided Senior Citizen units. The balance are all family units consisting of 0 to 5 bedrooms.

2. The total number of units occupied.

   All units are occupied; with a substantial waiting list. Breakdown as follows:

   Applications on hand by bedroom size

1BR	180
2BR	690
3BR	333
4BR	62
5BR	23

   Applications on hand for Senior Citizens

EFF	405
1BR	74
2BR	13

3. The total number of units vacant.

   Normal turnover average is approximately 6% per month. At present there are no vacant units. Other than normal turnover the Authority has never experienced standing vacancies.

4. The total number of units subsidized in any way either directly or indirectly by the local, state or federal governments.

   All 1,615 federally aided units are subsidized by the federal government. Subsidies include bonded indebtness for construction, rental subsidies and some special family subsidies; those whose incomes are below the poverty level.

5. The total number of units contemplated to be constructed over the next five years.

   Application for 900 additional units, 300 Senior Citizen, 300 family and 300 leasing has been approved by the City Commission and transmitted to HUD for program reservation. The present moratorium on construction makes it very unlikely that any new units will be built for a period of two to three years. Our five year projection is for the construction of a minimum of 2,000 additional units. 1,000 Senior Citizen, 500 family and 500 leasing.

6. A statement of the deficit or surplus of your agency programs for the last three fiscal years.

   $624,270.40 - deficit

7. The projected deficit or surplus for the next fiscal year.

   $737,879.00 - deficit

8. The total number of employees:

   (a) Administrative
   (b) Maintenance

   (a) Administrative - 29 full time, 2 part time
   (b) Maintenance - 45 full time

9. A legal description of any unimproved lands held by the Authority whether or not projected for future development.

   We do have one piece of property. Legal description: Commencing at the Southeast corner of the Northeast Quarter (NE 1/4) of said section 36, thence South 89° 31'54" West along the South line thereof a distance of 756.26 feet to the true point of beginning; thence continuing South 89°31'54" West a distance of 570.53 feet to a point; thence North 0°19'21" West a distance of 660.00 feet to a point; thence North 89°31'51" East a distance of 570.53 feet to a point; thence South 0° 19'21" East a distance of 660.00 feet to the true point of beginning. Containing 8,644 acres.

   Preliminary drawings have been prepared by Zick and Sharp, Architects for 52 garden type Senior Citizen units to be located on this property. They will be operated in conjunction with the James Downs Towers project utilizing community space, heating and cooling and other amenities.

10. A statement by your agency regarding the potential impact of the Brooke Amendment with regard to your fiscal operation.

Not clear as to which Brooke Amendment you have in mind. There have been three amendments, the latter of which resulted in severe financial loss to the Local Authority. As an example, prior to Brooke Amendment #3 rents averaged $67.00 per month. After the implementation, average per unit rental income dropped to $47.00 per month. Federal legislation provides for a subsidy to Local Authorities to make up for the loss. The Authority's experience thus far has been a reluctance on the part of administration to release the subsidies approved by Congress. As a direct result, services have been curtailed and staff reduced.

11. A brief description of how the operating revenues of your agency are derived, i.e., identity of the principle sources thereof.

Rents and rental subsidies

12. An enumeration of any outstanding bonds and bonding issues contemplated over the next two years.

$27,044,000.00 - for projects Nev. 2-1 thru 2-13, 1,615 dwelling units

13. The amount of payments in lieu of taxes affecting your agency in the last two years.

$136,298.71

14. An indication as to whether or not your agency is involved in rent subsidy and how such subsidies effect your program.

The Authority is definitely involved in rent subsidies. Without same it would only be a matter of months before bankruptcy. Current federal legislation makes it utterly impossible to operate a low income housing program without subsidies.

It should be kept in mind that subsidies are by no means adequate. As an example, to maintain the Authority's operation on its current level, a justified subsidy request was made for $489,000. Actually approved by HUD and received by the Local Authority was $309,000. If this trend is to continue, and every indication is that it will, it is only a matter of time before we become slum lords.

This Authority has always enjoyed community acceptance. It is very disheartening to see the public's confidence deteriorate because of a lack of under standing by federal legislators.

GENE ECHOLS
Mayor

CLAY LYNCH
City Manager

Councilmen
C. R. CLELAND
DAN GRAY
WENDELL G. WAITE
AARON WILLIAMS

COPY

City of North Las Vegas

2200 Civic Center Drive • P. O. Box 4086
NORTH LAS VEGAS, NEVADA 89030

Telephone 649-5811
HOUSING AUTHORITY

February 21, 1973

State of Nevada
Legislative Counsel Bureau
Carson City, Nevada 89701

Attn: Mr. James T. Havel,
Deputy Director, Research

Gentlemen:

In response to your letter dated January 24, 1973 (copy enclosed) we submit the following information regarding the public housing programs in our jurisdiction:

1. Total number of Housing Authority units operating under our jurisdiction is 607 units as of 2-14-73.

2. Total number of units occupied as of 2-14-73 is 607.

3. Total number of units vacant as of 2-14-73 is -0-.

4. Total number of units subsidized in any way is 607.

5. There are no units contemplated to be constructed over the next five years.

6. For the past fiscal years ending June 30, 1970, 1971, and 1972 the deficit before Annual Contributions have been: 1970 -$491,104.79; 1971 -$586,563.21; 1972 -$614,083.44. The Annual Contributions paid this deficit each fiscal year by the Department of Housing and Urban Development.

7. The projected deficit before Annual Contribution for the fiscal year ending June 30, 1973 for the Housing Authority is $723,640.00 and is expected to be met by the Department of Housing and Urban Development.

8. Total number of Administrative Employees as of 2-14-73 is 12. Total number of Maintenance Employees as of 2-14-73 is 10.

9. No unimproved lands held by this Authority.

10. The Brooke Amendment had a hard impact on our agency, but as long as the Federal Government continues to meet the

losses that were caused by the Amendment, this agency should remain solvent. Because of utility allowances granted to tenants who pay their own utilities, some of their accounts are currently being credited as much as $23.00 per month to live in our three, four and five bedroom, air-conditioned, single-family dwellings. It did cause our agency to amend our Statement of Policies to allow us to place tenants that fall within certain income ranges to allow us to remain solvent and to comply with the Brooke Amendment.

11. The operating revenue of this agency is derived from rent charges, repair charges, late charges, pest control charges, cleaning charges, miscellaneous charges and the major portion from HUD Annual Contributions and Operating Subsidy.

12. Our agency has a permanent note in the amount of $2,194,-138.39 that may be converted to long term bond upon the decision of our San Francisco Area Hud Office. This note is to be paid off over a period of time, not to exceed forty (40) years from the date of payment of the first Annual Contributions for the Nevada 7-3 Project. (As of 2-14-73, we have not received our first Annual Contribution.) Our San Francisco Area Office indicated that it would be converted to bonds only when the interest rates were more favorable than the permanent note interest rates.

13. Up to the fiscal year ending June 30, 1972, our agency did not have any payments in lieu of taxes due. For the fiscal year ending June 30, 1973, it is estimated that we will owe about $2,260.00.

14. Our agency is not involved in rent subsidy but does, in effect, provide rent subsidy to our tenants through income derived from Annual Contribution and Operating Subsidy and charging them rent according to their income.

Sincerely,

Clarence C. Van Horn
Housing Authority Comptroller

CCVH/bp
enc.

APPENDIX B

THE HOUSING NEED IN NEVADA

The following expression of the Nevada's need for housing and the accompanying data are from Urban Planning Division's study, "The Housing Situation in Nevada".

> Nearly all of Nevada's communities have problems with respect to housing. These range from aged or deteriorating housing stock through maintenance of neighborhood quality. Rapidly growing areas such as around Las Vegas, Reno, Carson City, and Douglas County have fewer problems with respect to aged stock due to the large amount of new construction that is accompanying the growth. Their problems revolve around maintenance of the quality of the living environment in general. Rapid growth has created problems in areas such as the deterioration of downtown neighborhoods, increases in air, noise, and water pollution and in the facilities to handle these problems.
>
> Another problem that exists in the fast growing areas of Nevada is the lack of housing units for the influx of persons. In Carson City, for example, there has been almost no vacant single family homes available and the apartment vacancy rate was 0%, .2%, and 1.7% according to residential surveys conducted in March, 1973, Sept. 1972 and Jan. 1972 respectively by the First American Title Company of Nevada. These surveys also covered the Reno-Sparks area and indicate an average (2% and 5% for fast growing areas) vacancy rate for single family and apartments. However, there are still shortages of standard housing for persons with incomes less than $12,500 if they plan to buy or $7,200 if they desire <u>or</u> must rent as will be illustrated in the following section. Even though the growth in the metropolitan areas (Reno and Las Vegas) has reduced the percentage of units lacking plumbing facilities, renter households in 1970, still occupied more of these units than owner occupied units. Also, greater percentage of lower income households reside in units lacking plumbing facilities than higher income groups. This appears to be the case generally for both renters and owners. In the Reno SMSA, this appears as a definite trend especially for renters.

Residents of Nevada's rural areas have many housing problems that exist in urban portions of the State. They also have housing problems that are unique to rural or farm oriented areas. Existing rural housing conditions in the State indicate that historical methods of dealing with these problems have met with quite limited success.

In the rural areas of Nevada, the lack of growth has created problems. The existing housing stock has deteriorated due to lack of maintenance and not enough new housing has been constructed to replace housing that is beyond rehabilitation. Due to the lack of employment opportunities as well as the necessary medical services, utilities, financing, potable water, etc., people are reluctant to move to these areas. If employment is available in these areas, families usually find suitable housing to be a problem since the vacant housing is typically substandard. In many areas of rural Nevada, no contractors are available to build housing since the demand for new housing is either not sufficient to provide year-round work for the contractor or no contractors or developers exist. There are also few housing and health codes, and enforcement agencies are rare. In 1970, 49% of the households living in units lacking plumbing facilities were located in Nevada's nonmetropolitan areas which contained only 19% of the State's occupied units. The private housing market in rural areas of Nevada is so inefficient that even middle income families encounter a shortage of good housing. Banks in rural areas are typically branch offices and will not give the long term loans required by housing developers, since they prefer to invest in urban areas. The U.S. Department of Housing and Urban Development's loans, which are financed through private institutions have never been widely used in rural areas nor have some of the Farmers Home Administration's programs due to pressures from more populated areas and lack of appropriations. Partially due to this and partially due to other factors, nonmetropolitan areas of Nevada contain only 6% of the public housing units constructed on Indian Reservations.

In keeping with national trends, the rural population of Nevada has been experiencing underemployment and limited economic opportunity.

Skilled construction workers are generally concentrated in the Reno and Las Vegas metropolitan areas. Few rural areas in the State have the quantity of skilled workers necessary for volume residential construction. As a result, if a builder wants to construct homes in rural areas or even small towns of Nevada, he must bring in his own laborers. This drastically increases the costs of construction and is a major factor in rural dwellings costing more than the same unit would cost if it were in the metropolitan areas of the state.

Table 20

Housing Needs Vs. Housing Supply by County
State of Nevada, 1970

	Housing Need				Housing Supply (Standard)			
	Existing Households	Units Over--crowded	Normal Vacancy	Total	All year round dwelling units	No. lacking Plumbing Facilities	Net Supply	# of Units Short (-) or Surplus
Carson City	4,893	280	140	5,313	5,098	27	5,071	-242
Churchill	3,478	376	109	3,963	3,710	230	3,480	-483
Clark	87,629	7,767	2710	98,106	92,815	820	91,995	-6,111
Douglas	2,171	132	64	2,367	3,086	53	3,033	666
Elko	4,781	485	146	5,412	5,089	453	4,636	-776
Esmeralda	287	16	7	310	395	58	337	27
Eureka	303	40	11	354	379	69	310	-44
Humboldt	2,128	240	69	2,437	2,394	256	2,138	-299
Lander	839	109	27	975	907	44	863	-112
Lincoln	793	103	24	920	1,043	75	968	48
Lyon	2,610	290	80	2,980	2,912	163	2,749	-231
Mineral	2,268	201	71	2,540	2,478	141	2,337	-203
Nye	1,842	201	57	2,100	2,093	306	1,787	-313
Pershing	926	72	28	1,026	1,117	129	988	-38
Storey	221	28	6	255	354	93	261	6
Washoe	41,823	2,615	1269	45,707	44,499	1,526	42,973	-2,734
White Pine	3,060	394	88	3,542	3,289	146	3,143	-399
State	160,052	13,349	4906	178,307	171,658	4,589	167,069	-11,238
Urban	130,401	10,024	4015	144,440	137,367	2,280	135,087	-9,353
Rural	29,651	3,325	891	33,867	34,291	2,309	31,982	-1,885

Source: U.S. Census, 1970 and Nevada State Planning Board.

TABLE 23

Housing Needs Vs. Housing Supply
Low-Moderate Income Households
State of Nevada 1970

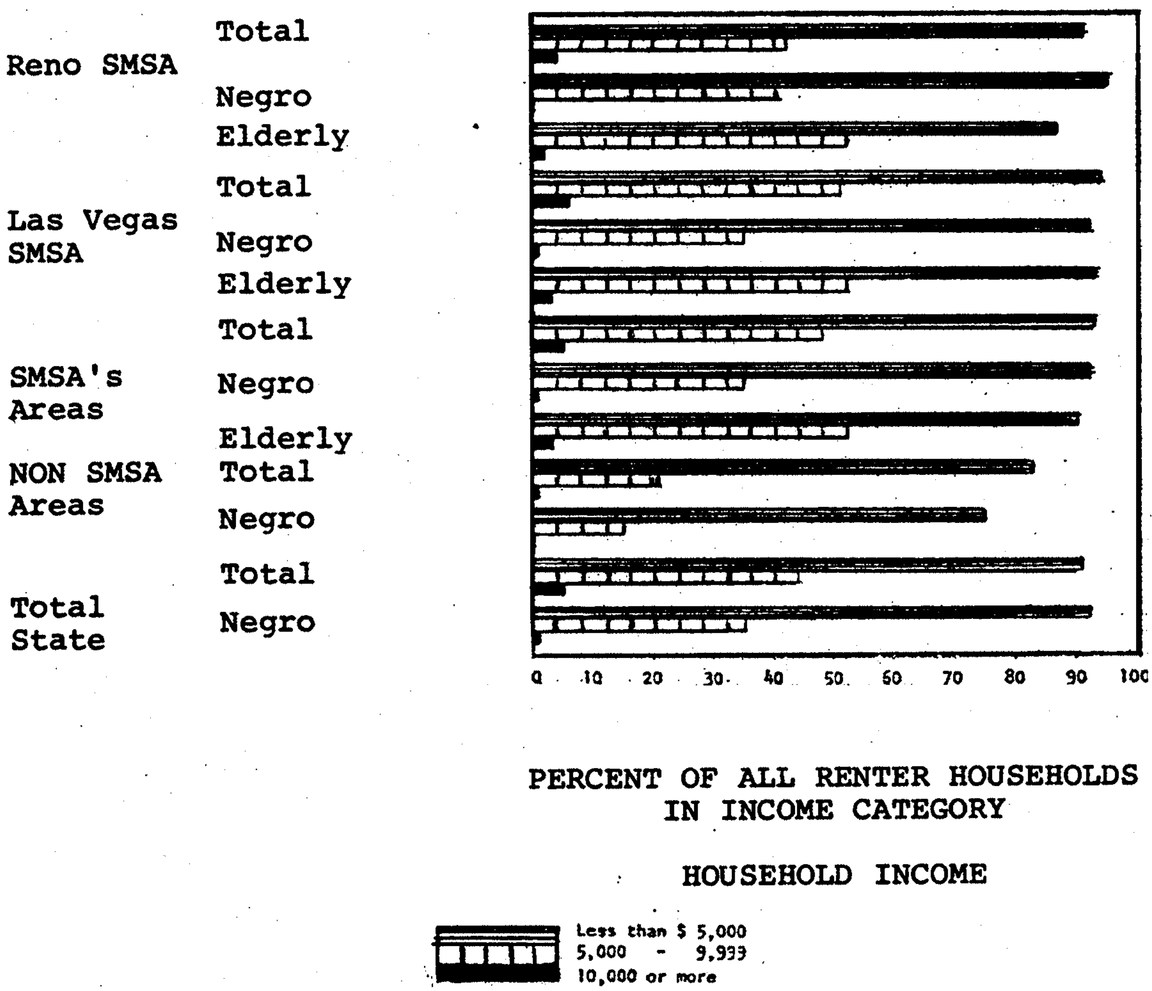
Household Size (no. of persons)	Housing Needs: No. of Low Income Households	Housing Needs: No. of Moderate Income Household
1-2	22,782	9,982
3	4,095	3,298
4-5	4,487	5,397
6 or more	2,000	2,510
TOTAL	33,364	21,187

No. of bedrooms	Housing Supply: Low Income Housing Supply	Housing Supply: Moderate Income Housing Supply
0-1	11,225	9,943
2	8,145	11,588
3	6,362	2,636
4 or more	1,416	1,150
TOTAL	27,148	25,317

SOURCE: Nevada State Planning Board and U.S. Census, 1970

FIGURE 13

PERCENTAGE OF RENTER HOUSEHOLDS PAYING 25% OR MORE OF THEIR INCOME FOR RENT BY INCOME GROUP-NEVADA: 1970



NOTE: Percentages reflect those households which income and rent was reported

SOURCE: Metropolitan Housing Characteristics, Detailed Housing Characteristics, 1970 U.S. Census

OWNER HOUSING NEEDS VS SUPPLY BY INCOME GROUP IN NEVADA: 1970

TABLE 4

HOUSING NEEDS					HOUSING SUPPLY				
Income Range	Households	Normal Vacancy	Total Needs No.	%	Value Range Less Than	Total Supply	Lacking Plumbing Facilities	Standard Units	Supply %
TOTAL STATE									
Less than $5,000	15,452	309	15,761	16	10,000	5,012	443	4,569	5
5,000-7,499	10,835	216	11,052	12	10,000-14,999	6,957	68	6,889	7
7,500-9,999	13,685	274	13,958	15	15,000-19,999	22,463	65	22,398	24
10,000-12,499	13,829	277	14,106	15	20,000-24,999	25,785	7	25,778	27
12,500 or more	39,888	798	40,686	42	25,000 or more	35,274	10	35,264	37
TOTAL	93,689	1,874	95,563	100	TOTAL	95,491	593	94,898	100
SMSA AREAS OF THE STATE									
Less than $5,000	11,296	226	11,522	15	Less than-10,000	1,401			2
5,000-7,499	8,435	169	8,604	11	10,000-14,999	3,957			5
7,500-9,999	10,349	207	10,556	14	15,000-19,999	18,798	NA	NA	25
10,000-12,499	11,235	225	11,460	15	20,000-24,999	21,500			28
12,500 or more	33,524	670	34,194	45	25,000 or more	30,638			40
TOTAL	74,839	1,497	76,336	100	TOTAL	76,294	444	75,850	100
NON SMSA AREAS OF THE STATE									
Less than $5,000	4,156	83	4,239	22	Less than-10,000	3,611			19
5,000-7,499	2,400	48	2,448	13	10,000-14,999	3,000			16
7,500-9,999	3,336	67	3,403	17	15,000-19,999	3,665	NA	NA	19
10,000-12,499	2,594	52	2,646	14	20,000-24,999	4,285			22
12,500 or more	6,364	127	6,491	34	25,000 or more	4,636			24
TOTAL	18,850	377	19,227	100	TOTAL	19,197	149	19,048	100
RENO SMSA									
Less than $5,000	3,801	76	3,877	16	Under-10,000	476			2
5,000-7,499	2,698	54	2,752	11	10,000-14,999	1,010	NA	NA	4
7,500-9,999	3,278	66	3,344	14	15,000-19,999	6,118			25
10,000-12,499	3,467	69	3,536	14	20,000-24,999	6,106			25
12,500 or more	10,745	215	10,960	45	25,000 or more	10,505			44
TOTAL	23,989	480	24,469	100	TOTAL	24,215	232	23,983	100
LAS VEGAS SMSA									
Less than $5,000	7,495	150	7,645	15	Under-10,000	925			2
5,000-7,499	5,737	115	5,852	11	10,000-14,999	2,947			6
7,500-9,999	7,071	141	7,212	14	15,000-19,999	12,680	NA	NA	25
10,000-12,499	7,768	156	7,924	15	20,000-24,999	15,394			29
12,500-14,999	7,769	155	7,924	15	25,000-29,999	6,373			12
15,000 or more	15,010	300	15,310	30	30,000 or more	13,760			26
TOTAL	50,850	1,017	51,867	100	TOTAL	52,079	212	51,867	100

SOURCE: 1970 U.S. Census of Housing and Population

RENTER HOUSING NEEDS VS. SUPPLY BY INCOME GROUP FOR
STATE OF NEVADA: 1970

TABLE 7

TOTAL STATE

HOUSING NEEDS					HOUSING SUPPLY				
Income Range	Households	Normal Vacancy	Total Needs No.	Total Needs %	Rent Range	Total Supply	Units Lacking Plumbing Facilities	Standard Units	Supply %
Less than $3,000	12,390	496	12,886	19	Less than $60	6,542	1,316	5,226	8
3,000-4,999	9,833	393	10,226	15	60-99	11,414	1,104	10,310	15
5,000-6,999	11,450	458	11,908	17	100-149	24,130	188	23,942	35
7,000-9,999	13,839	554	14,393	21	150-199	21,344	36	21,308	31
10,000 or more	18,851	754	19,605	28	200 or more	7,710	11	7,699	11
TOTAL	66,363	2,655	69,018	100	TOTAL	71,140	2,655	68,485	100
NON SMSA AREAS OF THE STATE									
Less than $3,000	2,152	86	2,238	18	Less than $60	3,110	640	2,470	20
3,000-4,999	1,731	69	1,800	15	60-99	3,760	134	3,626	30
5,000-6,999	1,939	78	2,017	17	100-149	4,105	39	4,066	34
7,000-9,999	2,777	122	2,889	24	150-199	1,486	--	1,486	12
10,000 or more	3,088	123	3,211	26	200 or more	426	---	426	4
TOTAL	11,687	468	12,155	100	TOTAL	12,887	813	12,074	100
SMSA AREAS OF THE STATE									
Less than $3,000	10,238	410	10,648	19	Less than $60	3,432	676	2,756	5
3,000-4,999	8,102	324	8,426	15	60-99	7,654	970	6,684	12
5,000-6,999	9,511	380	9,891	17	100-149	20,025	149	19,876	35
7,000-9,999	11,062	442	11,504	20	150-199	19,858	36	19,822	35
10,000 or more	15,763	631	16,394	29	200 or more	7,284	11	7,273	13
TOTAL	54,676	2,187	56,863	100	TOTAL	58,253	1,842	56,411	100
LAS VEGAS SMSA									
Less than $3,000	6,524	261	6,785	18	Less than $60	2,178	167	2,011	5
3,000-4,999	5,344	214	5,558	14	60-99	4,867	314	4,553	12
5,000-6,999	6,588	264	6,852	18	100-149	12,854	58	12,796	33
7,000-9,999	7,685	307	7,992	21	150-199	14,092	16	14,076	36
10,000 or more	10,737	429	11,166	29	200 or more	5,390	--	5,390	14
TOTAL	36,878	1,475	38,353	100	TOTAL	39,381	555	38,826	100
RENO SMSA									
Less than $3,000	3,714	149	3,863	21	Less than $60	1,254	509	745	4
3,000-4,999	2,758	110	2,868	16	60-99	2,787	656	2,131	12
5,000-6,999	2,923	117	3,040	16	100-149	7,171	91	7,080	40
7,000-9,999	3,377	135	3,512	19	150-199	5,766	20	5,746	33
10,000 or more	5,026	201	5,227	28	200 or more	1,894	11	1,883	11
TOTAL	17,798	712	18,510	100	TOTAL	18,872	1,278	17,585	100

SOURCE: 1970 U.S. Census of Housing and Population

TABLE 1

PUBLIC HOUSING UNITS BY COUNTY IN STATE OF NEVADA June, 1973

	Units Under a City or County Housing Authority	Units Under Indian Housing Authority	Total Public Units
Carson City	0	17	17
Churchill	-	26	26
Clark	3,263	32	3,295
Douglas	-	13	13
Elko	-	60	60
Esmeralda	-	-	-
Eureka	-	-	-
Humboldt	-	15	15
Lander	-	-	-
Lincoln	19	-	19
Lyon	0	34	34
Mineral	-	40	40
Nye	-	0	0
Pershing	-	16	16
Storey	-	-	-
Washoe	400	60	460
White Pine	0	9	9
State	3,682	322	4.004

O = No public housing units
- = No housing authority established

TABLE 2

PUBLIC HOUSING UNITS OPERATED BY CITY AND COUNTY AUTHORITIES IN STATE OF NEVADA, JUNE, 1973 (By Type of Program)

Type of Program	Clark County	Las Vegas	North Las Vegas	Lincoln County	City of Reno	Total
Federally Aided Units						
Authority Owned Family	100	1,220	-0-	-0-	150	1,470
Authority Owned Elderly	100	475	120	-0-	250	945
Leased (Section 23)	271	-0-	500	-0-	-0-	771
Rent Supplement, FHA 221 (d)(3)	100	-0-	-0-	-0-	-0-	100
Non-Federally Aided Units						
Family	124	223	-0-	19	-0-	394
Elderly	-0-	20	-0-	-0-	-0-	20
Total Units	695	1,948	620	19	400	3,682

APPENDIX C

PROPOSED LEGISLATION
REVISING THE DUTIES AND COMPOSITION
OF THE STATE HOUSING COMMISSION

SUMMARY--Revises composition and duties of state housing commission. Fiscal Note: No. (BDR 25-368)

AN ACT relating to the state housing commission; revising the composition and duties thereof; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 315.790 is hereby amended to read as follows:

315.790 1. There is hereby created a state housing commission . [to be composed of the state controller as an ex officio member, and four members appointed by the governor, two of whom shall be veterans.] The governing body of every housing authority, excluding Indian housing authorities, located in counties having a population of 100,000 or more as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce shall appoint one person to serve as a member of the state housing commission, and the governing body of the Nevada state rural housing authority shall also appoint one person to so serve. The term of office for [appointive] members shall be for 4 years. Members of housing authority governing bodies may be appointed to serve on the state housing commission.

2. As soon as possible after their appointment, the members of the state housing commission shall organize by electing a chairman and vice chairman and by adopting bylaws and regulations suitable to the transaction of business by the commission.

[2.] 3. The duties of the state housing commission shall be to coordinate the activities and undertakings [under the Housing Authorities Law of 1947. The commission shall supervise, in accordance with regulations adopted by it, the activities of authorities in effectuating the purposes of the Housing Authorities Law of 1947.

3. The state housing commission is also empowered, for the purpose of the Housing Authorities Law of 1947, and in order to assist within the State of Nevada in the solution of the housing shortage to the best interests of the State of Nevada as well as of the Federal Government, to act in behalf of the Federal Government upon the request thereof and designation thereby, to the end that the welfare of the state may be best served and that waste and inefficiency resulting from administration by remote federal offices, not responsible to the areas they serve, may be eliminated.] of housing authorities established, or to be established, under the provisions of this chapter, to provide information and advice to such authorities to assist in solving housing problems throughout the state, and to keep the governor,

<u>the legislature and the general public informed as to current activities and problem areas in housing programs at the state and federal levels.</u>