STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

April 8, 2024 @ 2:30 PM

COMMITTEE MEMBERS PRESENT:

Bill Brewer
Audra Hamernik
Fred Haron
Erik Novak
Brooke Page
Dagny Stapleton

COMMITTEE MEMBERS ABSENT:

Senator Dallas Harris
Dr. Hillary Lopez
Bill Thomas

1. Call to Order and Roll Call

The meeting was called to order at 2:30 PM by Vice-Chair Stapleton.

Administrator Aichroth called the roll.

Administrator Aichroth noted that he would record Senator Dallas as present upon arrival, and Dr. Lopez and Member Thomas would be marked absent.

2. Public Comment

There was no public comment.

3. Approval of the February 12, 2024 Meeting

Administrator Aichroth stated his designation as a "Committee Member" is incorrect and requested it be removed. Vice-Chair Stapleton made a motion to approve the minutes with the above modification requested by Administrator Aichroth. Member Brewer seconded the motion. Motion passed unanimously.

4. Home Means Nevada Initiative Update

Administrator Aichroth provided an update on allocated funds for three projects in development with $316.7M obligated and $81M expended. Three development projects have spent over 70% of the American Rescue Plan Act (ARPA) funding or Home Means

Nevada Initiative (HMNI). Three separate land projects have fully spent their funding allocation.

It is anticipated that two HMNI projects will be completed this month. There are 2,500 units under construction; 648 of those units are identified as transitional or supportive housing with 363 identified as permanent supportive housing. Of the 2,500 units, 1,589 are targeted at 50% and below Area Median Income (AMI) and 774 senior apartments will be created by other new developments.

Administrator Aichroth presented a slideshow of building sites in development to demonstrate the progress of construction over the past several months. These locations included the Washoe Housing Authority (WHA) project in Carson City, West Care Nevada, Sierra Flats, Ridge at Sun Valley, Vintage at Redfield Apartments, Pinyon Apartments, Marvel Way Complex, Eagle's Landing Apartments, The Nevada Cares Campus, and Buffalo and Cactus Senior Living Apartments. All the building sites are in Northern Nevada except for Buffalo Cactus Senior Living Apartments in Las Vegas.

5. Housing Division Update

Chief Financial Officer (CFO) Hess provided a Housing Division update. The new online application portal was opened for the bond and the 4% tax credit projects. This resulted in the submission of five projects. The Division is now accepting applications for the June Board of Finance. The HOME American Rescue Plan (HOME-ARP) award letters were sent today, and awardees have until April 19, 2024, to accept their award. The State Affordable Housing Trust Fund (HTF), The Weatherization Assistance Program (WAP), and the Emergency Solutions Grant Program (ESG) applications were all posted on March 11, 2024. Applications for the HTF and WAP close June 19, 2024, and the ESG closes May 10, 2024. The Home Funds and the National Housing Trust Fund (NHTF) application process is open, and applications received will be posted Wednesday, April 10, 2024, and close on May 21, 2024.

CFO Hess is currently developing regulations for Assembly Bill AB310 (82nd Session) and will submit them to the Legislative Council Bureau.

During public comment, CFO Hess gave the following update: In this annual round of applications for available funds, there is $3,144,833M available for the National Housing Trust Funds, $1,475,895M available for the Home Investment Partnerships Grants in Entitlement funding, and $1,097,505M in Competitive funding. These applications are opening April 10, 2024.

A question-and-answer period ensued.

6. Clark County Community Housing Funds Update

Vice-Chair Stapleton provided an update on Clark County Community Housing Funds (CHF). In March 2024 an allocation of $30M for permanent supportive housing was made. The allocation combined U.S. Department of Housing and Urban Development (HUD) HOME-ARP funds and Clark County Welcome Home funds into four projects for the development of supportive housing, including one assisting low-income residents in Southern Nevada.

$8.9M was awarded to seven HUD and HMNI projects on June 26, 2024 supporting 569 units. The CHF round is closed, and awards should be announced next month for the 2022 project submissions. Over 700 units under construction are funded with CHF funds and 2,500 units were funded from that round. The funds are being distributed, and the recipients of this year's CHF funding round will be announced.

The CHF sent a request for proposal (RFP) to the Bureau of Land Management (BLM) to obtain information on a handful of BLM building sites. The CHF plans to provide developers with information provided by the BLM so developers can move their applications forward. The CHF plans to have a developer in place for at least one of those sites later this year and has taken steps to accomplish this.

A question-and-answer period ensued.

7. Nevada Housing Coalition Report

Conversations centered on funds provided by HMNI and awarded through local municipalities and where they might be best allocated. There was also discussion about funding distribution, regulatory adjustments, financial incentives for builders, Accessory Dwelling Units (ADU's) and short-term rentals. Other topics discussed were the impact of wage increases on affordable housing, the correlation between higher paying jobs and AMI, and how people are being priced out of the market.

A need exists for data collection and outreach, particularly with keeping the communities informed. Typically, research materials and data are sent to the county commissioners or other entities, then disseminated throughout the community. Some developers suspect that the funding committees had already made up their mind before any discussions had taken place and requested that data results be provided earlier.

Infrastructure and gaps between transportation, sewage systems, and financing were discussed. Much of this information is being used to create a platform for the policy committee. There will be roundtable discussions in southern Nevada at the end of this month. Instead of having one large roundtable discussion, there will instead be multiple discussions with jurisdictions at one setting, developers at another, non-profits at a third, with community stakeholders last. The information shared will be compiled and used as the basis for a platform when the policy committees convene.

The Housing Coalition has been contacted numerous times to assist with federal bills coming down the pipeline including: The Home Act, The Alliance Bill, The Rental Act, and vouchers proposed for high growth population areas. There have been discussions of these bills with fellow delegates on the resulting impact they may have, and whether the Housing Coalition can, will or not support them.

8. Discussion of the drafting of one legislative measure, which relates to matters within the scope of the Committee.

Member Novak discussed changing the Property Exemption under NRS:360 on the Transferrable State Tax Credit to permit the use of a long-term ground lease structure for affordable housing.

Member Brewer inquired about the reauthorization of the State Tax Credit if needed.

Administrator Aichroth stated that the 40M allocation is expected to be used in state tax credits prior to the 2027 Legislative session.

CFO Hess spoke about further adjustments that would be required for this amendment such as filing financial statements and coordinating the tax credit's expiration with bond language for an ongoing allocation rather than a one-time streaming source, and whether an ongoing funding source needs to be identified for this to be approved.

Member Novak asked whether there was a more effective way for bonds to be distributed in Nevada.

Member Brewer shared the committee's thoughts on transforming the Housing Division into a quasi-governmental body, following the examples of how other states operate.

Administrator Aichroth said he would review this data and notify the committee.

9. Committee Member Comments

There were no committee members' comments at this time.

10. Items for Next Meeting

Vice-Chair Stapleton stated that the committee was charged with discussing legislative ideas.

Member Brewer suggested that the coalition produce ideas as they engage the committee in policies.

Administrator Aichroth verified the deadline to submit a conceptual Bill Draft Request (BDR) is September 2024.

Member Page requested a presentation on what a quasi-structured government would look like for the housing division and what this concept would entail. Chair Stapleton asked Steve Aichroth to reach out to a related association to gather information. Administrator Aichroth confirmed he would.

Member Brewer asked if NRS 315 could be researched to see if it applies to housing agencies like Nevada Rural Housing (NRH), encompasses all the bond issuing requirements, and could be included in the Nevada Housing Division's background for legislation.

11. Public Comments

There were no public member comments at this time.

CFO Hess gave an additional update on Item 5-Housing Division Update. See item 5 for information.

12. Meeting Adjournment

Member Brewer made a motion to adjourn the meeting. Member Novak seconded the motion. The meeting was adjourned at 3:09 PM.