

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
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TO: Terry Reynolds, Director Department of Business and Industry

FROM: Michael Holliday, CFO – Housing Division

REGARDING: Analysis of Housing Division’s use of Private Activity Bond Cap (PABC)

According to data provided by the National Low Income Housing Coalition (NLIHC) Nevada has a need for over 175,000 affordable rental units as of 2018 (www.reports.nlihc.org/gap/2018/nv). The Division uses PABC each year to issue tax-exempt multi-family housing bonds along with 4% Federal Low-income Housing Tax Credits to create and preserve affordable rental units within the state. On average this program creates roughly 600 new units per year and preserves and rehabilitates 200-600 units annually. The ability to use PABC in this manner is crucial to continuing the development of the state’s affordable housing stock.

The state’s affordable housing development community typically has between 13 and 22 projects under construction at any given time and this may represent the current capacity to produce/preserve affordable housing. This capacity is limited by availability of affordable land and also by the amount of constructions related resources (including labor) which can be deployed to this segment of the housing market.

The Division also uses a portion of PABC it receives from the local jurisdictions and the State to issue tax-exempt mortgage revenue bonds in order provide affordable mortgages to low and moderate income homebuyers in conjunction with down payment assistance. This program often is the only path for a low or moderate income resident to purchase a home.

The attached tables illustrate the Nevada Housing Division’s (NHD) historical and projected use of Private Activity Bond Cap to finance affordable housing with both the single-family mortgage and multi-family rental housing programs.

Nevada Housing Division Private Activity Bond Cap Issuance Analysis (all figures in Millions)
11.5.20

The following table illustrates the history of the Housing Division's PABC issuance from 2015 through 2019 as well as projections for 2020-2023. The statistics are provided on a calendar year basis and are in millions of dollars. The second table shows the current PABC financed developments which are under construction by project type and developer.

Of note - Single-family mortgage revenue bonds (MRB) are projected at relatively small levels given the current structure of the Division's Homeownership programs. If there were legislative or other changes which modified the current program structure projections would be at much higher levels.

It is estimated the Division's Single-family and Multi-family programs could use \$663 million in Private Activity Bond Cap through calendar 2023. This would allow the Division to provide mortgages for homebuyers (\$150mm) and to create and preserve affordable apartment housing options (\$513mm) for low-income Nevadans.

Single Family - PABC Issuance History				Multi Family - PABC Issuance History			
Calendar Year	Issued	Projected	Total	Calendar Year	Issued	Projected	Total
2015	\$ -	n/a	\$ -	2015	\$ 31	n/a	\$ 31
2016	\$ -	n/a	\$ -	2016	\$ 48	n/a	\$ 48
2017	\$ -	n/a	\$ -	2017	\$ 121	n/a	\$ 121
2018	\$ -	n/a	\$ -	2018	\$ 259	n/a	\$ 259
2019	\$ 168	n/a	\$ 168	2019	\$ 194	n/a	\$ 194
2020	\$ -	\$ 74	\$ 74	2020	\$ 63	\$ 46	\$ 109
2021	\$ -	\$ 59	\$ 59	2021	\$ -	\$ 200	\$ 200
2022	\$ -	\$ 75	\$ 75	2022	\$ -	\$ 150	\$ 150
2023	\$ -	\$ 75	\$ 75	2023	\$ -	\$ 150	\$ 150

Single Family - Projected PABC Needed				Multi Family - Projected PABC Needed			
			Balance				Balance
Current Single-Family PABC Available			\$ 133	Current Multi-Family PABC Available			\$ 183
Projected Bond Issuance	2020	\$ (74)	\$ 59	Projected Bond Issuance	2020	\$ (46)	\$ 137
	2021	\$ (59)	\$ -		2021	\$ (200)	\$ (63)
	2022	\$ (75)	\$ (75)		2022	\$ (225)	\$ (288)
	2023	\$ (75)	\$ (150)		2023	\$ (225)	\$ (513)

Projections Assume no change in federal legislation regarding current program mechanics

Projections based on 4 new construction projects each year and 1 acquisition/rehab project

Current Bond Financed Multi-family Affordable Housing Developments Under Construction

Development	Number of Units	Location	Type	Constructor	Developer	Estimated Completion
Steamboat at the Summit	360	Reno	Family	New	Vintage Housing/Greenstreet	Completed 2020
Tenaya Senior Apartments	272	Las Vegas	Senior	New	Ovation Development	Completed 2020
Oquendo	201	Las Vegas	Senior	New	Ovation Development	Completed 2020
North 5th Avenue	152	N. Las Vegas	Family	New	Nevada Hand	Completed 2020
Fort Apache	195	Las Vegas	Senior	New	Ovation Development	Completed 2020
Skymountain	288	Reno	Family	New	Vintage Housing/Greenstreet	4th Quarter 2020
Parkway Plaza	316	Carson City	Family	Acq/Rehab	Desola Group	1st Quarter 2021
Highland Village	120	Henderson	Senior	Acq/Rehab	Horizon Development	1st Quarter 2021
Ridgeview by Vintage	300	Reno	Family	Acq/Rehab	Vintage Housing/Greenstreet	2nd Quarter 2021
South Peak by Vintage	288	Reno	Family	Acq/Rehab	Vintage Housing/Greenstreet	2nd Quarter 2021
Vintage at Citi Vista	152	Reno	Senior	Acq/Rehab	Vintage Housing/Greenstreet	2nd Quarter 2021
Vintage at Seven Hills	244	Henderson	Senior	Acq/Rehab	Vintage Housing/Greenstreet	2nd Quarter 2021
Silver Terrace	126	Reno	Family	Acq/Rehab	Integra Property Group	2nd Quarter 2021
Blue Diamond	195	Las Vegas	Senior	New	Ovation Development	3rd Quarter 2021
Sanctuary Seniors	208	Reno	Senior	New	Vintage Housing/Greenstreet	1st Quarter 2022