

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
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DATE: October 11, 2022

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)

The Division uses PABC each year to issue tax-exempt multi-family housing bonds which in turn generate 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 also 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.

Despite increasing land, labor, lumber and interest rates the Division anticipates strong interest for the PABC based multi-family program for the foreseeable future. This will be especially true in the next year or two as projects receiving an award of Home Means Nevada Initiative funds might utilize the bond program.

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 home buyers in conjunction with down payment assistance. This program often is the only path for a low or moderate income resident to purchase a home. This program has even more impact when mortgage interest rates are increasing as the tax-exempt nature of the program generates lower than market mortgage rates.

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)
10.11.22

The following table illustrates the history of the Housing Division's PABC issuance from 2016 through 2021 as well as projections for the remainder of 2022-2025. The statistics are provided on a calendar year basis and are in millions of dollars. The second table shows PABC financed developments which are under construction by project type and developer.

Of note - Single-family mortgage revenue bonds (MRB) are projected based on current program activity.

It is estimated the Division's Single-family and Multi-family programs could use \$1.5 billion in Private Activity Bond Cap through calendar 2025. This would allow the Division to provide mortgages for homebuyers (\$662mm) and to create and preserve affordable apartment housing options (\$825mm) for low-income Nevadans.

Single Family - PABC Issuance History					Multi Family - PABC Issuance History				
Calendar Year	Issued	Projected	Total		Calendar Year	Issued	Projected	Total	
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	168	2019	\$ 194	n/a	\$ 194	-
2020	\$ 73	n/a	\$ 73	73	2020	\$ 193	n/a	\$ 193	-
2021	\$ 81	\$ -	\$ 81	81	2021	\$ 151	\$ -	\$ 151	-
2022	\$ 87	\$ 13	\$ 100	100	2022	\$ 161	\$ 141	\$ 302	-
2023	\$ -	\$ 100	\$ 100	100	2023	\$ -	\$ 305	\$ 305	-
2024	\$ -	\$ 100	\$ 100	100	2024	\$ -	\$ 305	\$ 305	-
2025	\$ -	\$ 100	\$ 100	100	2025	\$ -	\$ 305	\$ 305	-

Single Family - Projected PABC Needed				Multi Family - Projected PABC Needed			
			Balance				Balance
Current Single-Family PABC Available			\$ 38	Current Multi-Family PABC Available			\$ 231
Projected Bond Issuance	2022	\$ (100)	\$ (62)	Projected Bond Issuance	2022	\$ (141)	\$ 90
	2023	\$ (200)	\$ (262)		2023	\$ (305)	\$ (215)
	2024	\$ (200)	\$ (462)		2024	\$ (305)	\$ (520)
	2025	\$ (200)	\$ (662)		2025	\$ (305)	\$ (825)

Projections Assume no change in federal legislation regarding current program mechanics

Projections based on 5-6 projects per year

Current Bond Financed Multi-family Affordable Housing Developments Under Construction

Development	Number of Units	Location	Type	Construction	Developer	Estimated Completion
Lake Mead	156	N. Las Vegas	Family	New	Foresight Companies	Late 2022 Early 2023
Desert Pines	204	Las Vegas	Family	Acq/Rehab	Nevada HAND	Late 2022 Early 2023
Wigwam and Ft. Apache	195	Spring Valley	Senior	New	Ovation Development Company	Mid 2023
Southwest Village	332	Reno	Family	Acq/Rehab	Lincoln Avenue Capital	Late 2022 Early 2023
Woodcreek	232	Las Vegas	Family	Acq/Rehab	Fairfield Residential	Late 2022 Early 2023
Vintage at Washington St	205	Reno	Senior	New	Vintage Housing	Late 2023 Early 2024
Sagebrush Place II	40	Reno	Family	Acq/Rehab	Integra Property Group, LLC	Mid 2023
The Ridget at Sun Valley	195	Sun Valley	Family	New	Ulysess Development	Late 2023 Early 2024
Vintage at Spanish Spring	257	Spanish Springs	Senior	New	Vintage Housing	Late 2023 Early 2024
Carriage House/Dakota C	132	Reno	Both	Acq/Rehab	USA Properties	Late 2023
Copper Mesa	290	Reno	Family	New	The Inland Group	Mid 2024
	2,238					

Nevada Housing Division (NHD) Private Activity Bond Cap Summary Projected 10.11.2022

Year	Jurisdiction Transfers	Director's Office Transfers	Total Cap Transferred to NHD	Total Cap Utilized	Total Carryforward Balance
2014	148,165,479	148,412,500	296,577,978	(296,577,978)	0
2015	134,077,659	150,757,500	284,835,159	(284,835,159)	-
2016	107,419,055	135,455,945	242,875,000	(242,875,000)	0
2017	110,878,295	-	110,878,295	(110,878,295)	(0)
2018	91,023,654	-	91,023,654	(91,023,654)	(0)
2019	113,072,458	165,328,250	278,400,708	(278,400,709)	(0)
2020	83,695,591	183,000,000	266,695,591	(259,694,237)	7,001,354
2021	40,015,817	208,576,750	248,592,568	(79,754,526)	168,838,042
2022	93,476,401	-	93,476,402	-	93,476,402
Totals	921,824,409	991,530,945	1,913,355,355	(1,644,039,558)	269,315,797

Carryforward Breakdown

Multi-family	231,429,778
Single-family	37,886,020
Total	269,315,797

MF Projection	(195,918,000)
MF Projected balance	35,511,778