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Governor

STATE OF NEVADA



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Director

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Deputy Director

**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

**Private Activity Bond Council
Minutes from June 24, 2021 at 8:15 AM**

Private Activity Bond Council members in attendance:

Terry Reynolds, Director-Business & Industry
Bob Potts, Deputy Director – Governor’s Office of Economic Development
Julia Ratti, Nevada State Senate
Teresa Benitez-Thompson, Nevada State Assembly
Dagny Stapleton, Executive Director-Nevada Association of Counties
Wesley Harper, Executive Director-Nevada League of Cities
Mike Mullin, Founder & Former CEO of Nevada HAND

Other individuals in attendance:

Steve Aichroth, Nevada Housing Division
Marcel Schaeerer, Business & Industry
Budd Milazzo, Business & Industry
Carrie Foley, Business & Industry
Emily Ku, Commission on Minority Affairs
Peter Keegan, Nevada Attorney General’s Office
Anne Mullin
Bill Brewer, Nevada Rural Housing Authority
David Paull, Nevada HAND
Deanna Judkins, Clark County
Diane Arvizo, Nevada Rural Housing Authority
George Graham, City of Sparks
Jessica Colvin, Clark County
Jayna Litz, City of Reno
John Millard, City of Winnemucca
Karen Schneider, Clark County
Kathi Thomas Gibson, City of Las Vegas
Kristin Cooper, Clark County
Mishon Hurst
Rick Damian, City of North Las Vegas
Rosa Reynolds, City of Henderson
Scott Carter, City of Las Vegas

1. Call to order by Chair, Director Terry Reynolds

Director Reynolds called the meeting to order at 8:15 AM. Carrie Foley took roll call. All committee members were in attendance.

2. Public Comments – public comments may be limited to 3 minutes per speaker

Director Reynolds read a note on public comments. There were no public comments.

3. Approval of December 8, 2020 meeting minutes (for possible action)

Director Reynolds asked if there were any questions or comments on the minutes. There were no comments or corrections to the minutes.

Senator Ratti made a motion to approve the minutes from the December 8, 2020 meeting. Mike Mullin seconded the motion. All members voted in favor. The motion passed unanimously.

4. Report by Housing Administrator, Steve Aichroth on housing programs and projects and the status of their volume cap allocation including annual carry-over.

Director Reynolds asked Steve Aichroth to discuss the PABC documents submitted prior to the meeting.

Steve Aichroth walked through the tables on page two of the document he submitted called Nevada Housing Division Private Activity Bond Cap Issuance Analysis. Steve Aichroth started by discussing the Single Family PABC Issuance History and said \$230 million was provided and issued over the last 5 years. He anticipates \$75 million per year for single family mortgage assistance for the next four years.

Steve Aichroth then discussed the other column, which is multi-family PABC issuance history from 2016-2020. In 2021 to date, the Housing Division has issued \$31 million dollars in bonds. Steve Aichroth said that although the use of the private activity bonds is approved at the Board of Finance for the developments, the Housing Division doesn't consider those issued until the project is closed. The Housing Division has recently closed Pinewood Terrace apartments and Springview by Vintage apartments. Steve Aichroth said the Housing Division does anticipate \$228 million in bonds being closed before December 31, 2021. He anticipates and additional \$225 million in bonds being issued each year over the next three years.

Steve Aichroth discussed various statistics on the report provided, he anticipates doing 5-6 projects per year on multi-family projects. Steve Aichroth talked about the dozen or so projects under construction and anticipates approximately 1,500 units created annually through this program.

Steve Aichroth said the last chart is a history of the jurisdictional transfers and Director's Office transfers to the Nevada Housing Division and how it was utilized. He also discussed the carryforward balance.

Director Reynolds said we have 12 active projects being constructed with approximately 2,500 units, however we still need thousands more units in both the north and south.

Director Reynolds said he is working with Senator Cortez Masto about working with BLM and getting land set aside for affordable housing. Director Reynolds said Nevada HAND has also been active with discussion on getting land.

Steve Aichroth discussed the availability of construction workers, land, and other issues. He did say interest rates are still low which is a positive.

Mike Mullin asked about Desert Xpress and if we might accommodate the train in a request for bond cap in the future.

Director Reynolds said the Director's allocation this year will more than likely go to housing. He said we have put almost half a billion into housing in the last two years and have used it. Director Reynolds said he isn't sure what will happen in the future with the bonds for Desert Xpress. He said there are federal dollars going into rail transportation and that might impact their project and funding.

Assemblywoman Benitez-Thompson asked a question about the section on the Housing report listed as Acq/Rehab and asked if that means acquire. Administrator Aichroth said it's an acquisition and rehab, so they are investing in properties and rehabbing those properties which keeps them affordable for a period of time.

Assemblywoman Benitez-Thompson asked if the current developers are same developers as before or new developers. Steve Aichroth said it is a little of both. He went over the developers who have been active and said that Fairfield Residential is new to Nevada.

Bob Potts asked how many of the projects that are under construction are in northern Nevada and how many are in southern Nevada. Steve Aichroth said 56% of the units are in Las Vegas and 44% are in Reno.

5. Review of allocation of Volume Cap t Nevada for calendar year 2021 and distribution to the Director's Office and to local government entities.

Carrie Foley said the total allocation for the State of Nevada is \$345,208,490.00. Half of the allocation in the amount of \$172,604,245.00 goes to the Director's Office and the other half is issued to local counties and cities.

Director Reynolds anticipates that in 2022 or 2023 the allocation for Nevada will be over \$350 million. Director Reynolds said that the Nevada allocation has gone up over \$20 million in the last five years.

Senator Ratti made a motion to accept the 2021 allocation report for Nevada. Mike Mullin seconded the motion. All members voted in favor.

6. Discussion on housing legislation passed in the 2021 Legislative Session

Steve Aichroth said the 2021 legislative session was probably the most active housing legislative session ever. There were more housing related bills than we've ever seen. Steve Aichroth said SB12 came out of the Advisory Committee on Housing and was a preservation notification bill. Steve Aichroth said the acquisition and rehab type projects

that we discussed earlier are what we refer to as preservation. He said the IRS allows a developer to leave the affordability period after 15 years. Steve Aichroth discussed the qualified contract process.

Steve Aichroth said SB284 modified the parameters of the affordable housing tax credits provided by the state. There were three things that needed to be tweaked, it has been referred to as a clean up bill. Steve Aichroth discussed SB284 further.

Steve Aichroth said SB311 allows Nevada Rural Housing Authority to develop market rate properties. Bill Brewer said this bill allows the Nevada Rural Housing Authority to participate in market rate multi-family projects and broadens the Nevada Rural Housing Authority landscape so they can be of better service in rural Nevada. Bill Brewer said this will allow them to partner with a group, such as a mine to develop housing that will serve their employees.

Senator Ratti expressed her gratitude to all the people who leaned in on the affordable housing policy and said there is a lot of energy around landlord/tenant issues. Senator Ratti said she is excited about the legislation from the last session that created the Advisory Committee on Housing and the development of the Nevada Housing Coalition. Senator Ratti also commended the Housing Division that is always there to make sure we are getting the technical aspects of it all right. She also thanked Nevada HAND.

Director Reynolds said it is important to have everyone working in the same direction for a common goal to keep housing affordable. Director Reynolds said there is a considerable amount of federal funding coming to the state and we need to use it wisely. Director Reynolds thanked Assemblywoman Benitez-Thompson and Senator Ratti for their leadership.

7. Future agenda items for consideration

Director Reynolds said he plans to have another meeting at the end of September or beginning of October. He said we will also have a meeting in December. Director Reynolds said we should know more about the federal funds and would like to discuss that at a future meeting.

8. Committee comments

Director Reynolds said he went to IFC earlier this week regarding the initial 10% of the \$125 million that the state is going to receive. Director Reynolds said we will be working with housing entities throughout the state.

Assemblywoman Benitez-Thompson said she would like to continue talking about this topic and she appreciates the conversation. Director Reynolds said we will focus on the housing dollars and what it means to the state and providing housing.

Senator Ratti said the Housing Advisory Committee will have their next meeting at the end of July and she will suggest an agenda item on possible sources of ARP funding that could be used for housing and ask that the committee submit some recommendations.

Director Reynolds said he is having a meeting to talk about federal rental assistance dollars and how that is going to be distributed. Director Reynolds said he's waiting for additional guidance from the Treasury.

Mike Mullin thanked Assemblywoman Benitez-Thomas and Senator Ratti for their championship in the Legislature. He also thanked Bill Brewer for his work in the rural areas.

9. Public comments – public comments may be limited to 3 minutes per speaker

Director Reynolds asked if there was any public comment.

Bill Brewer echoed some of the comments that were made by others. He said this has been an exciting year for housing and they've gotten some positive attention and feedback. Bill Brewer said a special thanks to Senator Ratti and Assemblywoman Benitez-Thompson for their attention to housing issues. He said he appreciates his relationship with the state.

Director Reynolds thanked the people on the committee and on the Housing Advisory Committee for their hard work and for getting in front of things.

10. Adjournment

Director Reynolds asked for a motion to adjourn the meeting. Bob Potts made a motion to adjourn. Assemblywoman Benitez-Thompson seconded the motion. All members voted in favor. The motion passed unanimously. The meeting was adjourned at approximately 9:07 AM.