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Governor

STATE OF NEVADA



TERRY J. REYNOLDS
Director

MARCEL F. SCHAEERER
Deputy Director

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Deputy Director

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

**Private Activity Bond Council
Minutes from September 16, 2021 at 9:00 AM**

Private Activity Bond Council members in attendance:

Terry Reynolds, Director-Business & Industry
Bob Potts, Deputy Director – Governor’s Office of Economic Development
Jo Walker, Administration Manager - Nevada League of Cities
Mike Mullin, Founder & Former CEO of Nevada HAND
Teresa Benitez-Thompson, Nevada State Assembly

Private Activity Bond Council members not in attendance:

Julia Ratti, Nevada State Senate
Vinson Guthreau, Executive Director-Nevada Association of Counties

Other individuals in attendance:

Steve Aichroth, Nevada Housing Division
Marcel Schaeerer, Business & Industry
Budd Milazzo, Business & Industry
Sandra Nunnelee, Business & Industry
Carrie Foley, Business & Industry
Emily Ku, Commission on Minority Affairs
Karen Schnog, Business & Industry
Alan Ragsdale, City of North Las Vegas
Bill Brewer, Nevada Rural Housing Authority
Craig Roisum, City of Caliente
Deanna Judkins, Clark County
Diane Arvizo, Nevada Rural Housing Authority
Elizabeth Cota
Hope Sullivan, Carson City
Karen Schneider, Clark County
Kathi Thomas-Gibson, City of Las Vegas
Lara Mather, Storey County
Lori Cooke, Washoe County
Melissa Tate
Michael Holliday, Nevada Housing Division
Rick Damian, City of North Las Vegas
Rosa Reynolds, City of Henderson
Tracy Wheeler, Washoe County

1. Call to order by Chair, Director Terry Reynolds.

Director Reynolds called the meeting to order at approximately 9:00 AM. Carrie Foley took roll call. All committee members were in attendance, excluding Assemblywoman Ratti and Vinson Guthreau.

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

Director Reynolds read a note on public comments, and then asked if there were any public comments. There were no public comments.

3. Approval of June 24, 2021 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.

Bob Potts made a motion to approve the minutes from the June 24, 2021 meeting. Mike Mullin seconded the motion. All members voted in favor. The motion passed unanimously.

4. Report on 2021 Volume Cap utilization and acceptance of 2021 Local Government resolutions requesting utilization of volume cap (for possible action).

Director Reynolds asked Carrie Foley to provide an overview of the volume cap utilization. Carrie Foley said the total allocation to the state of Nevada for 2021 was \$345,208,490.00. The Director's Office allocation, plus transfers from local jurisdictions, and a reversion back to the Director's Office total \$243,103,087.15. The total transfer to the Nevada Housing Division is \$57,671,027.78. The total transfer to the Nevada Rural Housing Authority is \$44,434,375.07.

Director Reynolds recommended that the committee accept all of the transfer resolutions, including the total transfer to the Nevada Housing Division for \$57,671,027.78 and a transfer to the Nevada Rural Housing Authority in the amount of \$44,434,375.

Mike Mullin made a motion to accept the transfers. Assemblywoman Benítez-Thompson seconded the motion. All members voted in favor. The motion passed unanimously.

5. Report by Housing Administrator, Steve Aichroth and CFO Michael Holliday on 2021 Volume Cap utilization and projected projects, as well as allocation, utilization, and carryover of Volume Cap for 2019 and 2020.

Steve Aichroth asked Michael Holliday to give the report. Michael Holliday provided an overview of the report provided by the Nevada Housing Division. Michael said in 2021 the Nevada Housing Division expects to issue \$75 million in single family issuance, and they have already issued \$42 million. The Nevada Housing Division anticipates they will be issuing up to \$75 million per year for the next three years.

Michael Holliday said this year the Nevada Housing Division has issued \$31 million in multi-family bonds and has another \$228 million that has been approved by the Board of Finance and should close before the end of this calendar year. The Nevada Housing

Division could issue up to \$305 million per year for the next three years.

Michael Holliday discussed various projects that have Board of Finance approval. Michael said that from 2014 to now all units created by tax exempt bonds are 47% in northern Nevada with 3,837 units, and 53% in southern Nevada with 4,294 units.

Michael Holliday discussed the Nevada Housing Division carryforward cap. Michael said the total carryforward for the Nevada Housing Division before this meeting is \$252,617,198.00, the bulk of which is multi-family.

Director Reynolds thanked Michael Holliday for his report, and asked when a project is being submitted today when will it come to fruition? Michael Holliday said when a project is approved by the Board of Finance, it typically closes within 60-90 days. In southern Nevada it's 18-20 months from close to being fully occupied, and in northern Nevada the average is about 24 months.

Bob Potts asked Michael Holliday for a quick overview of affordable tax credit. Michael Holliday discussed information on the program and investors. Michael said this is a great tool and benefit not only for development, but also for economic development, it's a private/public partnership in action.

Assemblywoman Benitez-Thompson thanked Michael Holliday for the data he provided.

6. Report by the Nevada Rural Housing Authority on their programs and the status of their volume cap allocation.

Director Reynolds asked either Bill Brewer or Diane Arvizo from the Nevada Rural Housing Authority to provide an overview on their report.

Diane Arvizo provided an overview from 2005 to emphasize the homeownership program through the Nevada Rural Housing Authority, which began when they launched the Home At Last program in 2005. Diane discussed the Nevada Rural Housing Authority carryforward balance.

Diane Arvizo said the Nevada Rural Housing Authority is hoping to help 400-450 homebuyers with a mortgage credit tax benefit using current funding that they have available. Diane said the Mortgage Credit Certificate program is great, the Nevada Rural Housing Authority is the only provider of this program right now. The program can be paired with any loan that is being provided in the rural areas of Nevada, including Nevada Housing Division loans, and any loan that is not even being paired with down payment assistance.

Diane Arvizo said the Mortgage Credit Certificate program provides an average of \$2,000.00 per year back to the homebuyer, not only for qualifying for the loan at the front end, but also gives them long term success in being able to afford their mortgage. Diane said the Nevada Rural Housing Authority plans to continue using Private Activity Bond cap for the Mortgage Credit Certificate program.

Diane Arvizo discussed demographics and designated targeted areas.

Assemblywoman Benitez-Thompson asked about building in urban communities. Diane Arvizo said the Nevada Rural Housing Authority would love to have the Mortgage Credit Certificate program available to any homebuyer in Nevada. The jurisdiction for the Nevada Rural Housing Authority is communities with populations under 150,000, so that excludes city limits of Reno and portions of the Las Vegas valley. The Nevada Housing Division serves exclusively in those areas, and the Nevada Rural Housing Authority volume cap cannot be used to serve those homebuyers in those urban areas. Diane said the Nevada Rural Housing Authority is here to support what the Nevada Housing Division would like to do in the areas they serve.

Director Reynolds thanked Diane Arvizo for her report and overview.

7. Recommendation by the Director for Volume Cap utilization for specific projects (for possible action).

Director Reynolds said we have no applications at this time. Director Reynolds would like to transfer \$100 million to the Nevada Housing Division. Director Reynolds said we will meet again in January 2022 to determine what to do with remaining cap.

Bob Potts made a motion to transfer \$100 million to the Nevada Housing Division. Assemblywoman Benitez-Thompson seconded the motion. All members voted in favor. The motion passed unanimously.

Director Reynolds said with this action today we will be transferring \$157,671,027.78 to the Nevada Housing Division. The priority for the money will be multi-family.

8. Discussion and action on setting a time frame for utilization of Volume Cap for certain projects (for possible action).

Director Reynolds said he plans to hold a meeting the 3rd or 4th week of January 2022. We will determine a date for the next meeting at a later date.

9. Recommendations for future agenda items (for possible action).

Director Reynolds asked if anyone had suggestions for future agenda items. Director Reynolds would like to discuss where we are with tax credits, and where we are with utilization on carryforward of volume cap. Director Reynolds would like to talk about what is being discussed on a federal congressional level on not having strict categories, specifically for us would be designation of single family and multi-family, as well as the length of carryforward.

Bob Potts suggested maybe talking about how private activity bonds tie into other stimulus dollars that are available. Director Reynolds said that is a good idea and is something we can put on the agenda. Steve Aichroth agreed and suggested by January we may have some clarity on this topic.

10. Committee comments.

Director Reynolds asked if there were any other committee comments. There were no additional comments.

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

Director Reynolds asked if there were any public comments. There were no public comments.

12. Adjournment

The meeting was adjourned at 9:42am.