



Nevada Affordable Housing 101

March 2022



The [Nevada Housing Coalition](#) empowers organizations to be part of the solution to our affordable housing crisis in Nevada through accurate data, sustainable programming, and purposeful collaboration.

Our mission is to create sustainable solutions through community awareness, capacity building, and advocacy to ensure housing options for all Nevadans.

Affordable Housing in Nevada

Affordable housing is a complex and nuanced, and often misunderstood issue that affects people, places, communities, and the economy. With our severe shortage of affordable homes, Nevada Affordable Housing 101 was created to provide grounding information around housing with the intent to develop a shared understanding of the affordable housing landscape in Nevada.

This resource was developed in partnership with Enterprise Community Partners and as part of a generous grant by Charles Schwab Bank. It's through education and collaboration that we empower ourselves and each other to create a better, brighter future for all Nevadans.



Nevada Affordable Housing 101

Topics Covered:

1. [Defining Housing & Affordability](#)
2. [Overview of Area Median Income & Housing Supply](#)
3. [Roles in Housing Affordability](#)
4. [State Housing Toolkit: Policies](#)
5. [State Housing Toolkit: Financing](#)

[Supplements](#)

- [ARPA Funds & Impact](#)
- [Supportive Tools & Resources](#) (Coming Soon!)

Housing 101 **Part 1**

Defining Housing & Affordability

Housing Affordability

Housing affordability varies by income level and across the [housing spectrum](#).

[Affordable housing](#) is defined by the U.S. Department of Housing & Urban Development as “Housing for which the occupants are paying no more than 30% of his or her income for gross housing costs.”



Market-Rate Housing

Market-rate housing is housing that is developed and available on the private market that has not been subsidized or limited to any specific income level.

Market-rate affordable housing (also know as unsubsidized affordable housing or naturally occurring affordable housing) is housing that is affordable to low- and moderate-income individuals and families without subsidies or income restrictions.

Jurisdiction	Clark County	Washoe County	Douglas County
Median gross rent (2019)*	\$1,132 (<small>\$1,644 01-2022</small> Apartment List)	\$1,102 (<small>\$1,396 01-2022</small> Apartment List)	\$1,074
Median sale price (2019)*	\$262,700 (<small>\$460,000 12-2021</small> Las Vegas Realtors)	\$334,100 (<small>\$540,000 01-2022</small> Washoe County Assessor)	\$378,800 (<small>\$525,000 2021</small> Record Courier)

Source: US Census ACS 2019 5-Year

*Median gross rent and median sale price encompass both private and subsidized units in their calculations.

*Median gross rent encompasses all rental units, such as single-family rental units and multifamily units.

Subsidized Housing

Subsidized housing: a broad term that covers private and public programs that lower the overall housing costs for people. Common examples include public housing, rental assistance vouchers, and developments that use Low-Income Housing Tax Credits.

15,577

Total Number of Vouchers
Reported Leasing including
Mainstream Vouchers
([HCV Dashboard 11-2021](#))

28,071

Total Number of LIHTC Units
(See Affordable Housing 101
Part 2 for total Nevada subsidized
housing inventory)

2,956

Total Number of Public Housing
([HUD Housing Authority Profiles](#))

Common Types of Subsidized Housing

Low Income Housing Tax Credit (LIHTC) is a tax incentive for housing developers to construct, purchase or renovate housing for low-income households. The majority of Nevada's affordable housing stock includes some level of tax credits.

The State allocates these credits through a competitive process each year, and the priorities they set through that application process impact the types of housing projects that are realized throughout the state.

Recent preservation efforts are geared towards at risk properties funded through the LIHTC program when they meet the end of their 15-year compliance period, and they are eligible to opt-out of their affordability contract with the State.

Common Types of Subsidized Housing

Housing choice vouchers (formerly known as Section 8) is a tenant-based program that provides eligible tenants with vouchers that can be used to help pay for apartments in the private market. These are limited in supply and distributed through the Housing Authorities.

Public housing is a federal rental housing assistance program. The U.S. Department of Housing and Urban Development (HUD) administers federal aid to local Public Housing Authorities (PHA). These programs typically serve elderly, people who are living with disabilities, and other families with or without children. Nevada has three Housing Authorities, [Southern Nevada Regional Housing Authority](#), [Reno Housing Authority](#) and [Nevada Rural Housing Authority](#).

Permanent supportive housing is indefinite leasing or rental assistance paired with supportive services to assist populations in need to achieve housing stability, including homeless persons, individuals with disabling conditions, or other target or special populations.

Special Needs Housing

Special needs housing are homes that provide adequate housing environments and arrangements for persons with special needs, such as those with physical disabilities as well as homeless families and the elderly.

Accessible housing can generally mean that the dwelling meets prescribed requirements for accessibility. Mandatory requirements for accessible housing vary widely and are found in state, local, and model building codes, in agency regulations such as in the Department of Housing and Urban Development's program 202 and 811, section 504, and the Fair Housing Amendments Act requirement.

Missing Middle Housing

Missing Middle Housing is a range of house-scale buildings with multiple units, compatible in scale and form with detached single-family homes, located in a walkable neighborhood.

-Opticos Design



Terms Related to Housing Cost

Cost burdened is when a household pays more than 30% of their income on housing costs (a commonly used standard of housing affordability).

Housing insecurity or severely cost burdened is when a household pays more than 50% of their income on housing costs.

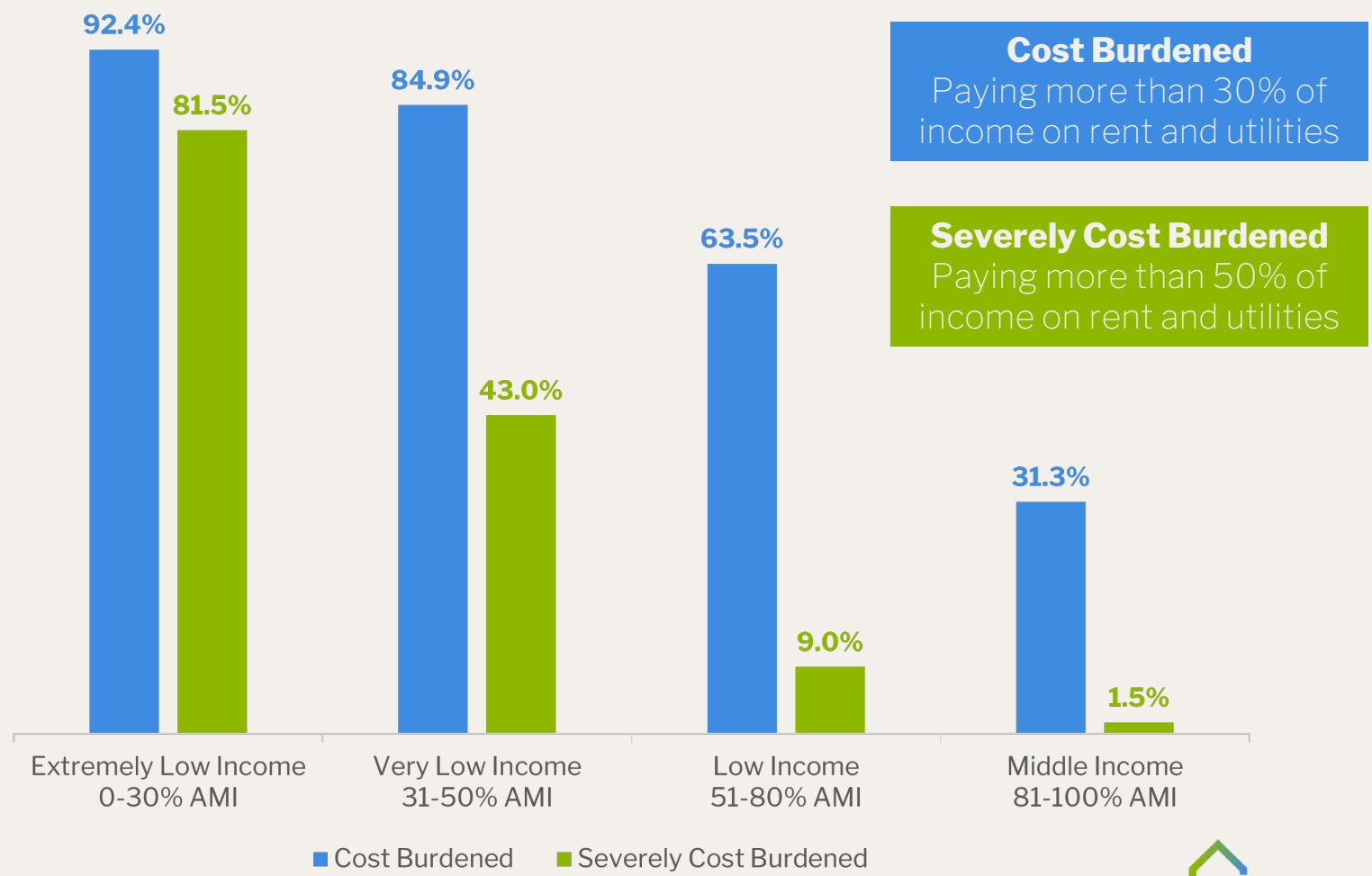
Select Jurisdiction and Employee	Clark County (public administration industry worker)	Washoe County (health care and social assistance industry worker)	Douglas County (retail trade industry worker)
Median Annual Wage	\$59,849	\$40,696	\$25,774
Max Affordable Monthly Housing Costs	\$1,496	\$1,017	\$644
Current Rent	\$1,132 (\$1,644 01-2022 Apartment List)	\$1,102 (\$1,396 01-2022 Apartment List)	\$1,074
Affordable?	Affordable	Cost Burdened	Housing insecure or severely cost burdened

Households Cost Burdened in Nevada

Nevada has some of the most severe cost burdens in the country. Attention to basic needs like medical care, food, education, transportation and work stability suffer when households are overpaying for their housing expenses.

“Communities where people spend more than 32 percent of their income on rent can expect a more rapid increase in homelessness.”

Source: Zillow Homeless and Rent Affordability Research



Source: 2021 GAP Report by National Low Income Housing Coalition

Cost Burdened in Nevada

These income levels include many of our working families. To view housing affordability and cost burdens relative to occupations for metro areas, visit [National Housing Conference Paycheck to Paycheck database](#).

Reno, NV MSA

Income Group (Based on three-person households)	Extremely Low-Income Households	Very Low-Income Households	Low-Income Households
Annual Income	\$26,500	\$37,600	\$66,800
Max Affordable Monthly Housing Costs	\$662	\$940	\$1,670

Las Vegas-Henderson-Paradise, NV MSA

Income Group (Based on three-person households)	Extremely Low-Income Households	Very Low-Income Households	Low-Income Households
Annual Income	\$21,960	\$35,450	\$56,700
Max Affordable Monthly Housing Costs	\$549	\$886	\$1,417

Urban v. Rural Cost Burdened

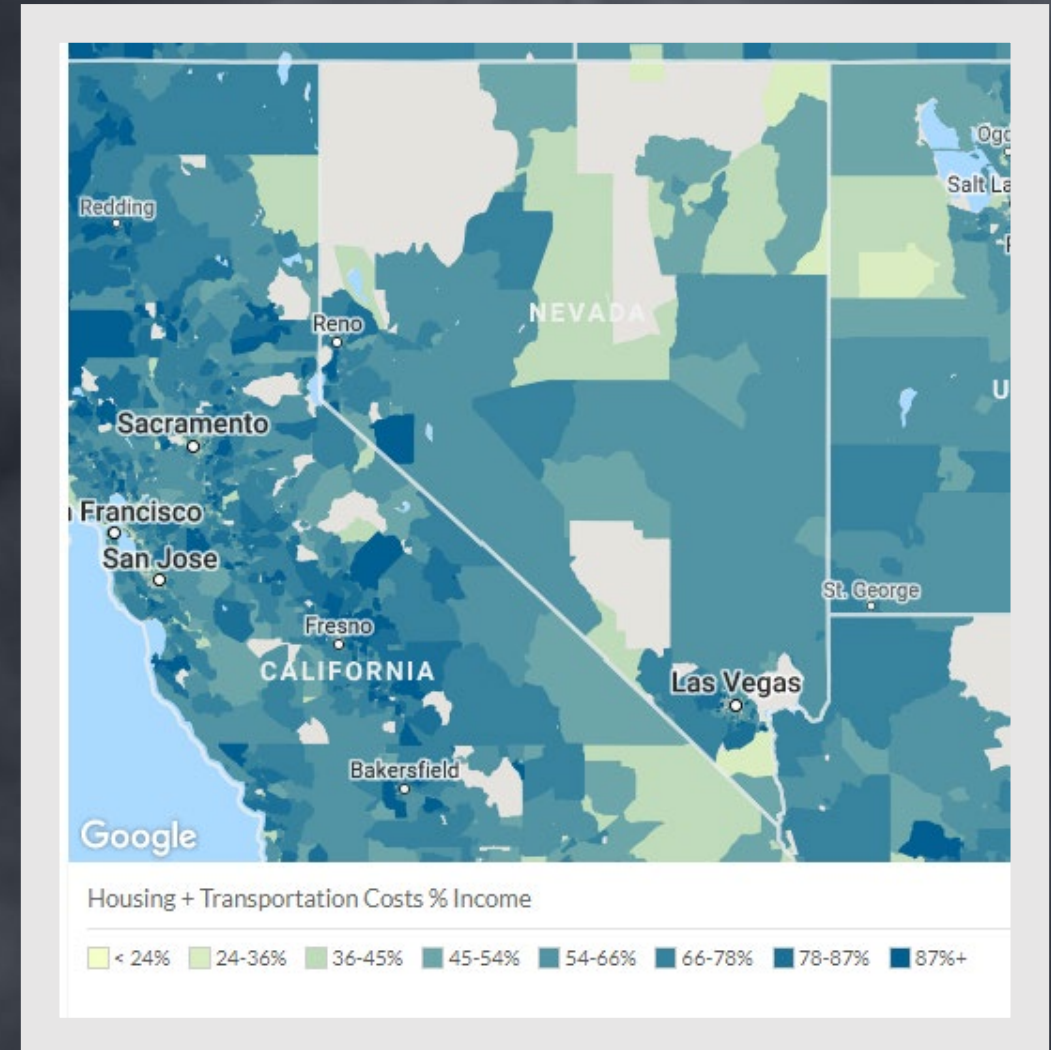
How Many Nevada Households are Cost Burdened?



Transportation's Role in Affordability

Housing and transportation (H+T) costs

are used to view a more complete measure of affordability beyond the standard method of assessing only Housing Costs. This considers the cost of housing as well as the cost of transportation associated with the location of the home. While housing alone is traditionally deemed affordable when consuming no more than 30% of income, CNT has defined an affordable range for H+T as the combined costs consuming no more than 45% of income.



Housing 101 Part 2

Overview of Area Median Income & Housing Supply

Area Median Income (AMI)

Area median income (AMI) is the midpoint of the region's income distribution. Half of families in a region earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income as provided by HUD, identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households. The limits are adjusted for household size.

Commonly Used Thresholds

- 0-30% of AMI (Extremely Low-Income)
- 31-50% of AMI (Very Low-Income)
- 51-80% of AMI (Low-Income)
- 81-100% of AMI (Middle-Income)

Check out the income levels for Nevada counties per HUD here:



Statewide Income Limits

Nevada*

Income Group (Based on three- person households)	Extremely low-income households (30% AMI or less)	Very low-income households (50% AMI or less)	Low-income households (80% AMI or less)
Annual Income	\$21,650	\$36,050	\$57,650
Max Affordable Monthly Housing Costs	\$541	\$906	\$1,441

**Income limits per household size are also available for regions based on regional median income*

Affordable Housing Cost Statewide



Nevada

Common Occupations Relative to Income Levels	Retail trade industry worker	Health care and social assistance industry worker	Public administration industry worker
Median Annual Wage	\$25,774	\$40,696	\$59,849
Max Affordable Monthly Housing Costs	\$644	\$1,017	\$1,496

Source: HUD 2021 Fair Market Rent and Income Limits

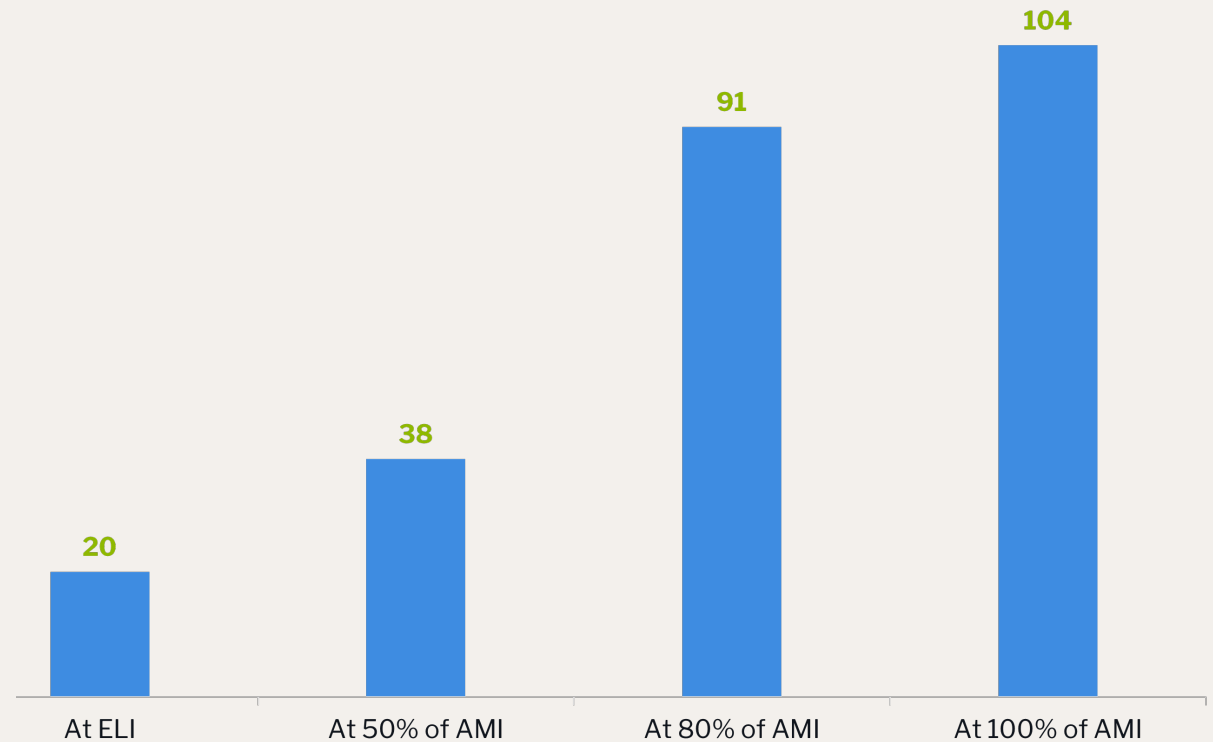
Affordable Housing Shortage

According to the National Low Income Housing Coalition, Nevada has a shortage of

84,320

rental homes affordable and available for extremely low-income renters.

Affordable and Available Homes per 100 Renter Households



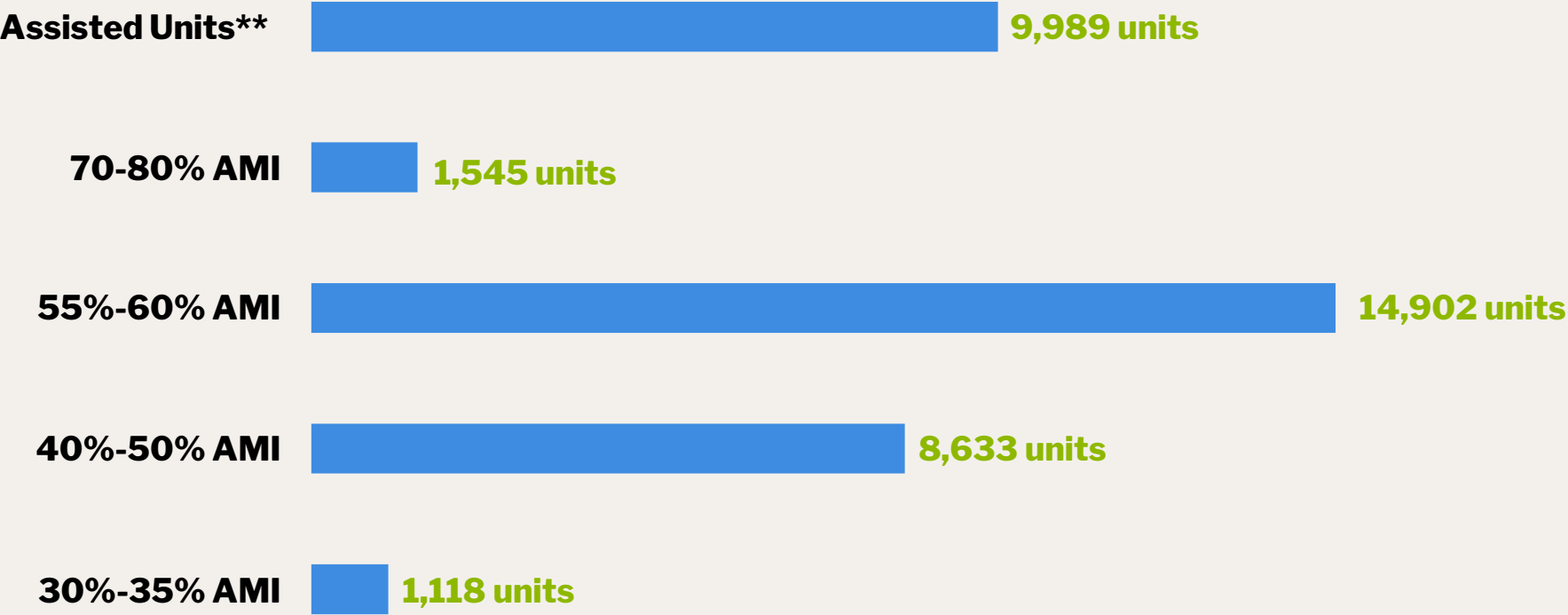
Source: NLIHC tabulations of 2019 ACS PUMS

Nevada's Affordable Housing Supply

36,187*

Total Number of Subsidized Units in Nevada (as of 02-16-2022)

*For more details on the description of Nevada's total number of subsidized units, please see the NOTES section at the end of this section of Affordable Housing 101 Part 2: Area Median Income & Housing Supply



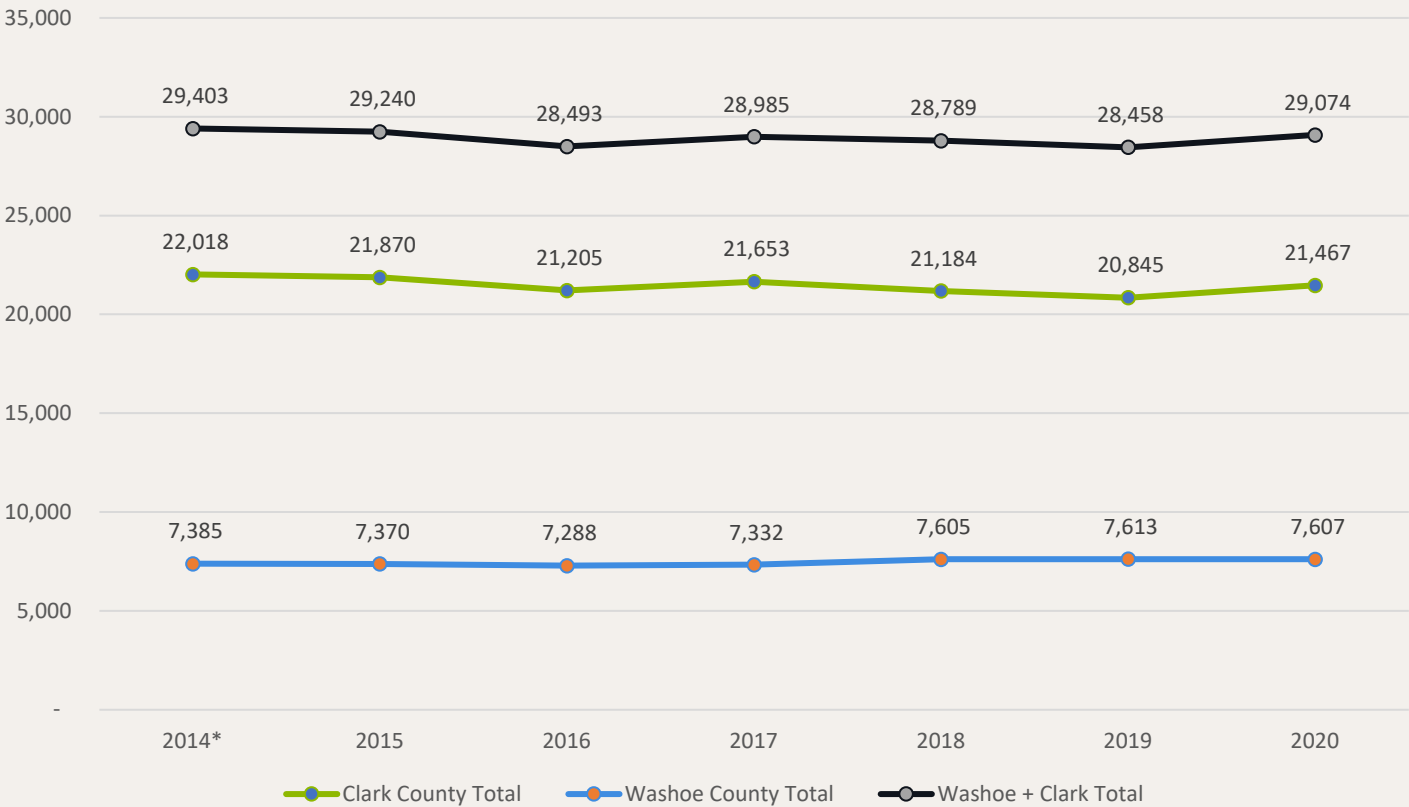
**The term “Assisted Units” refers to units with sliding scale rental assistance such as is found in public housing, properties with project-based Section 8 or USDA Rural Development properties with Section 515 and rental subsidy contracts.

Supply & Trends for Larger NV Jurisdictions

Per NRS 278.235, jurisdictions in Clark and Washoe Counties are required to adopt a Housing Plan as a part of their Master Plan. The jurisdictions report annually to the Nevada Housing Division. The Nevada Housing Division then compiles all data and prepares an extensive report, the [Annual Housing Progress Report available HERE](#).

Washoe + Clark Total Inventory
2014-2020 CHANGE
-329 Units, -1%

New development has not offset the loss of subsidized units whose affordability restrictions are expiring or terminating early



*2014 baseline numbers have been changed to reflect minor corrections made to the baseline the following year. See previous Annual Housing Progress Reports for notes about corrections to 2018 numbers.

*NOTES: NEVADA AFFORDABLE HOUSING SUPPLY

The Universe of Subsidized or Restricted Low-Income Units in Nevada

In Nevada there are over 36,000 units of subsidized or restricted income rental housing, including units now under construction. In this report, subsidized or restricted income means any property with contributions of government funding or tax credits, including tax credit or HOME funding, used to produce housing that has long-term restrictions on rents or income of tenants, or housing that has project based rental assistance. Included in this total are restricted rent, income-qualified tax credit, tax-exempt bond financed and HOME units, units with USDA Rural Development rental assistance and loans, privately owned housing with various forms of HUD rental assistance such as project-based Section 8, public housing, non-aided housing owned by public housing authorities, as well as some miscellaneous types of low-income housing. Not generally included in this total are transitional housing and group homes. The term “Restricted Units” refers to rent and income restrictions such as those imposed by the Low-Income Housing Tax Credit program and HOME program. Units are “set aside” to be affordable to households at various income levels using HUD definitions of income levels and affordability. The term “Assisted Units” refers to units with sliding scale rental assistance such as is found in public housing, properties with project-based Section 8 or USDA Rural Development properties with Section 515 and rental subsidy contracts. With sliding scale rental assistance, households pay a percentage of income, typically 30%, for rent and utilities. Sliding scale assistance is the most appropriate type of assistance for extremely low-income households. Because it is typical for subsidized housing to have more than one source of funding, many properties have a mixture of program restrictions and/or rental assistance contracts.

Housing 101 Part 3

Roles in Housing Affordability

The Role of Public Entities

Federal Government shapes housing affordability and availability primarily through financial support for strategies, programs, or projects that are then implemented locally. Federal funding can support a variety of activities including housing development, direct financial assistance to low-income homeowners and renters, land assembly and acquisition, and technical assistance.

Funds and programs from the Federal Government for housing typically flow through the U.S. Department of Housing & Urban Development (HUD).

The Role of Public Entities: State

State Government can provide key services, infrastructure, important data on a variety of housing issues, and funding that supports housing throughout the state. The State also creates laws that can directly affect development, often by authorizing or limiting localities' powers to provide or support housing.

The State (through the [Nevada Housing Division](#)) administers one of the strongest financing tools for producing and preserving affordable homes— the federal Low-Income Housing Tax Credit (LIHTC). The State allocates these credits through a competitive process each year, and the priorities they set through that application process impact the types of housing projects that are realized throughout the state. The State also offers a Low-Income Housing Trust Fund and a Multi-Family Bond Financing Program, which provide financing for the development and preservation of homes affordable to low-income households.

Guiding Documents & Plans

Across the country, states are guided by both the Qualified Allocation Plan (QAP) and the Consolidated Plan for the implementation and prioritization of their policies and resources.

There are two methods of obtaining a LIHTC allocation: 1) the competitive application process (QAP); and 2) tax-exempt bond financing.

Nevada's [Qualified Allocation Plan \(QAP\)](#) is developed annually to guide and prioritize the distribution of available tax credits to eligible developments. Parameters are included that factor for the geographic distribution of tax credits and the characteristics of the rental developments to which they are allocated.

Nevada's [Consolidated Plan](#) is where the state assess their affordable housing and community development needs and market conditions. They identify their housing and community development priorities that align and focus funding from the HUD Community and Planning Development formula block grant programs.

The Role of Public Entities: Local Government

Local Government plays a critical role in housing, including its production. Local governments possess regulatory control over land use and development. They are key players, both individually and in cooperation with other housing interests, in stimulating various types of development activity.

City of Reno and Clark County Fee Reduction or Subsidization for Affordable Housing Developments: The 2019 session saw passage of SB103, which allows jurisdictions to waive and reduce fees/taxes for affordable housing projects. To-date, the City of Reno and Clark County have passed ordinances/resolutions in response to this enabling legislation. In April 2021, the City of Reno waived approximately \$1M in fees for affordable housing projects.

The Role of Public Entities: Regional Authorities

Regional Authorities, such as planning, housing, transportation and economic development, all play a major role in providing services and planning for the future in their region. These agencies all shape and are directly impacted by the region's housing supply, particularly the location of the region's housing relative to other investments and services.

Reno Housing Authority (RHA) is the public housing authority serving Reno, Sparks, and Washoe County, managing more than 750 affordable units across eight public housing properties and providing rental assistance to more than 2,500 families throughout the region. RHA operates a variety of programs to support households in maintaining housing affordability and achieving family self-sufficiency. Clark County is served by the **Southern Nevada Regional Housing Authority**. **Nevada Rural Housing Authority** serves rural Nevada and Carson City. The 2021 Nevada Housing Conference featured a **panel discussion** with the three entities.

Housing 101 Part 4

State Housing Toolkit: Policies

Overview of the Nevada Housing Policies

Only a high level of policies are covered:

	Policy	How can it address housing?
1	Affordable Housing Element in Housing Plan	<ul style="list-style-type: none">• Strategic planning and catalytic investing
2	Density Bonus	<ul style="list-style-type: none">• Promotes affordable housing developments
3	Community Land Trust (CLT)	<ul style="list-style-type: none">• Improves and diversifies pathways to homeownership
4	Impact Fees	<ul style="list-style-type: none">• Promotes new affordable housing developments
5	Incentives for Transit-Oriented Development	<ul style="list-style-type: none">• Connects affordable housing and transportation investments
6	Tax Incremental Financing	<ul style="list-style-type: none">• Promotes preservation, revitalization and development
7	Inclusionary Zoning	<ul style="list-style-type: none">• Creates new affordable housing or funding opportunities
8	Preservation	<ul style="list-style-type: none">• Early notification for the termination or expiration of affordable housing
9	Transitional Housing	<ul style="list-style-type: none">• Innovative housing solutions for those most in need

Affordable Housing Element in Master Plan

NRS 278.150: Nevada legislation requires counties whose population is over 100,000 to develop and carry out housing plan required in master plan.

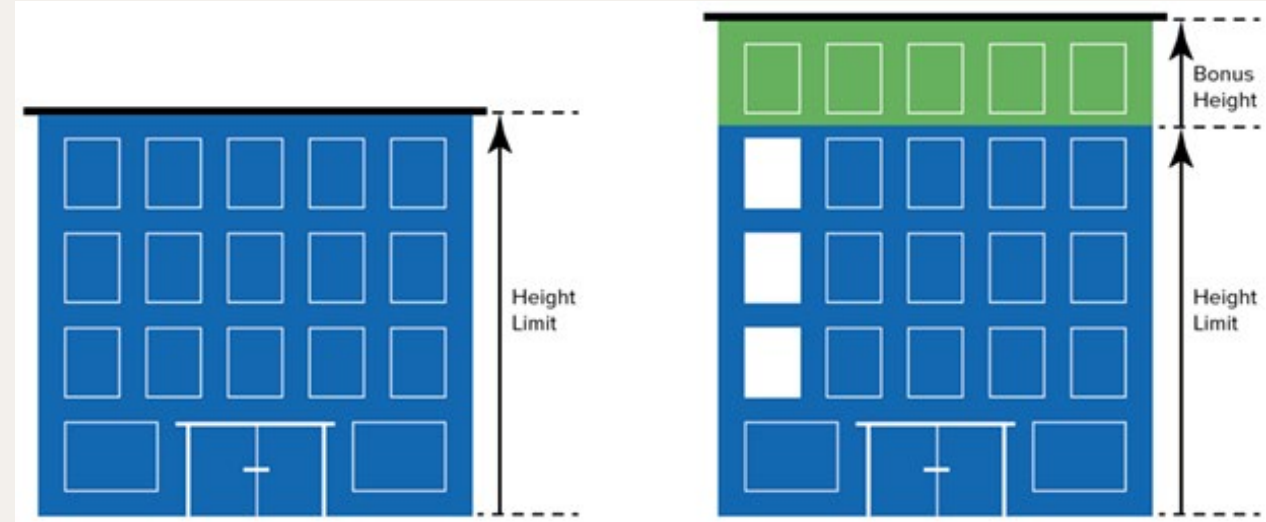
NRS 278.235: Nevada legislation requires counties who implement a housing plan to adopt at least six of the following affordable housing measures:

1. Reduce Impact Fees
2. Selling publicly owned land
3. Donating publicly owned land
4. Leasing publicly owned land
5. Requesting to purchase federally owned land at a discounted price
6. Establishing an affordable housing trust fund
7. Expediting permits for affordable housing developments
8. Providing financial incentives or density bonuses to support other affordable housing tools
9. Providing financial incentives or density bonuses for Transit Oriented Development
10. Density bonuses or other incentives for affordable housing developments
11. Direct financial assistance to applicants for purchase or rental of affordable housing
12. Supportive housing and services

Density Bonus

Density Bonus is an incentive-based tool leveraged by local entities which allows developers to build at a higher density in exchange for financial commitments or to accomplish policy goals.

Density bonuses work best in market-rate construction areas and are a great tool to promote mixed-income communities.



Source: Municipal Research and Services Center of Washington (MRSC)

Best Practices

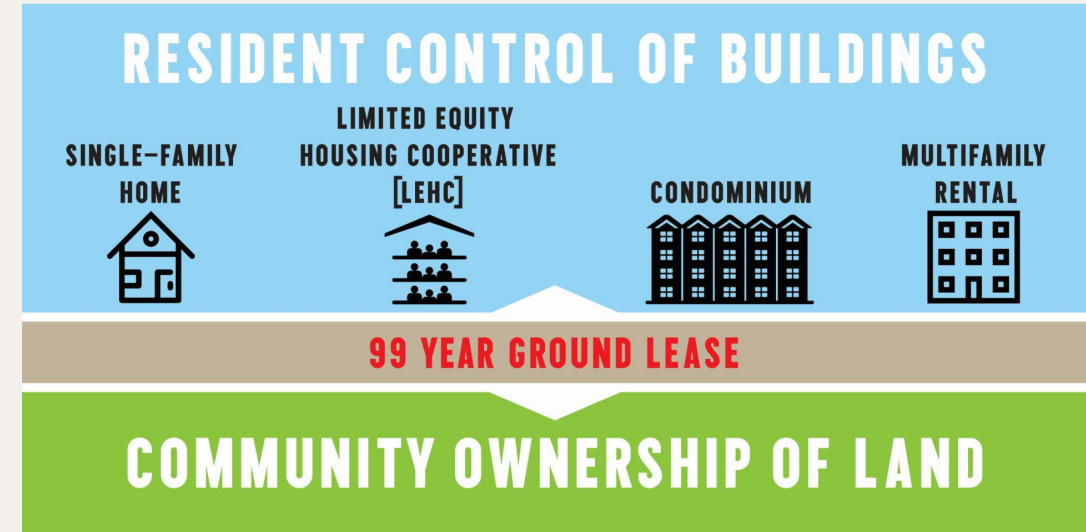
- Special density bonuses for specific revitalization areas
- Common cost offsets in mandatory inclusionary zoning policies
- Linkage of density with transportation and land use
- Outreach and education are used to generate support for appropriate densities in the right locations.

Community Land Trusts (CLT)

Community Land Trusts are nonprofit, community-based organizations designed to ensure community stewardship of land and primarily used to ensure lasting affordability.

Golden Valley Homes: The City of Reno donated 2.5 acres of land in Golden Valley to the Community Housing Land Trust (Community Foundation of Northern Nevada) in October 2020 to develop single-family homes for ownership for buyers making less than 80% of AMI.

NHC Lunch & Learn featuring Community Land Trusts



Source: Oakland Community Land Trust (OAKCLT)

Best Practices

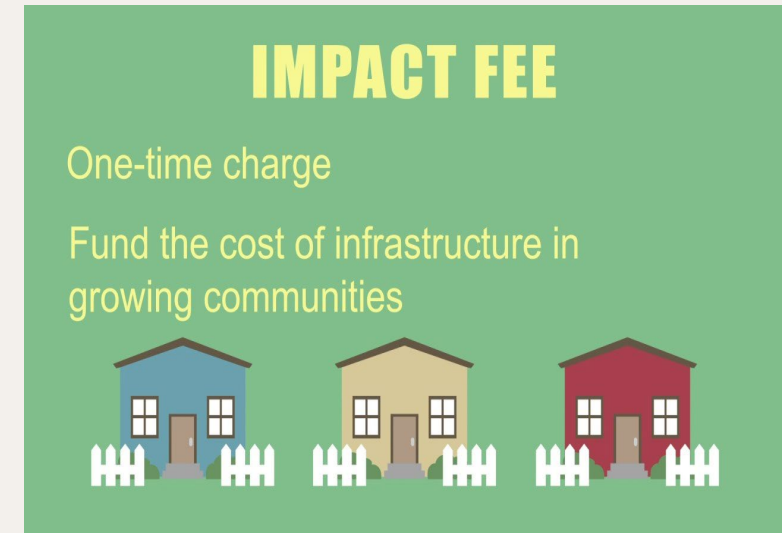
- Local jurisdictions can prioritize CLTs for allocations of local funds and federal funds
- Fund homeownership education and financial counseling
- Long lasting cross-sector partnership

Impact Fees

[Reducing or waving impact fees](#) for developments that meet affordability objectives is one way to reduce the cost of developing affordable housing. This is an incentive-based tool. The [City of Reno](#) and [Clark County](#) have adopted local ordinances to waive and reduce fees/taxes for affordable housing projects.

In April 2021, the City of Reno waived approximately \$1M in fees:

- Springview by Vintage Apartments Affordability: 180 apartment units of entirely affordable housing. They will be income-restricted at or below 60% of the Average Median Income in the county.
- Marvel Way Empowerment Center Apartments Affordability: 42 units of affordable multi-family housing. Applicants must have an Average Median Income at or below 50%.



Source: Utah League of Cities and Towns

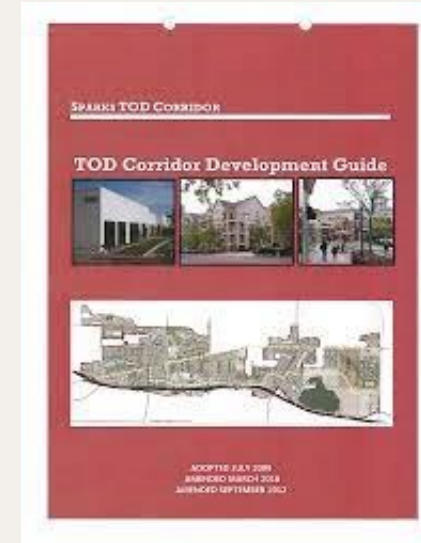
Best Practices

- An alternative to inclusionary housing programs is a housing development impact fee on new residential development
- Foster affordable housing development in areas with high-performing schools or access to transit

Incentives for Transit-Oriented Development (TOD)

TODs can be defined as compact mixed-use development planned around transit hubs and accessible to walkable neighborhoods.

City of Sparks: the City of Sparks adopted the TOD Plan in 2009. The TOD eliminates the need for master plan amendments for higher densities, simplifying the entitlement process.



Source: The City of Sparks

Best Practices

- Joint development on land owned by transit and other agencies (or local school districts)
- Combine with employee-assisted housing programs

Tax Incremental Financing (TIF)

TIF districts can catalyze housing production in location-efficient areas both directly and indirectly, leveraging existing state housing programs and policies.

State Legislation NRS 279: Allows local government to create redevelopment agencies, redevelopment areas, and to use TIFs for the purpose of community redevelopment and elimination of blighted area.

Best Practices

- Tie affordability requirements to development in a TIF district
- States can enable the creation of affordable housing TIF districts established to support the creation and financing of new affordable housing
- States can limit the percentage of land area within a municipality that can be designated as a TIF district

Inclusionary Zoning

Inclusionary Zoning is a zoning that requires or provides incentives to a developer who builds residential dwellings to build a certain percentage of affordable housing. It was enabled in Nevada in **NRS 278.250** in 1999; however, no jurisdiction has implemented this policy to-date.

This tool works best when deployed strategically in areas throughout a region where it is economically feasible.

Partnerships between private developers and affordable housing developers and/or entities can bridge the gap in capacity and expertise.



Source: City and County of Denver

Best Practices

- Design and location standards between market-rate and affordable units
- A set of alternatives such as pay in-lieu fees to fund affordable housing developments or trust funds
- A set of incentives such as density bonuses or tax abatements
- Engagement and education for developers and public around the development options and trade-offs

Preservation

Unless part of a Community Land Trust, or other arrangement in which the affordability goes into perpetuity, the affordability restrictions associated with an affordable property expire, or in some cases, terminate early. In Nevada, the loss of affordable properties to the market have resulted in no net increase in affordable inventory (as shown in Affordable Housing 101 Part 2: Area Median Income & Supply). Additionally, within the next few years, estimates from the Nevada Housing Division show that there are 7,500 units at high risk of going to market.

In the 2021 Legislative Session, the legislature passed [State Legislation SB12](#). This new law now requires affordable housing property owners to provide notification at least twelve months prior to the end of the affordability period, to the Nevada Housing Division, the local jurisdiction, and tenants. This provides stakeholders time for collaboration and efforts around the preservation of affordable units.

Best Practices

- Develop a preservation inventory that gathers information about specific affordable multifamily rental properties
- Right of first refusal policy for mission-oriented buyers
- Dedicated source of funding for preservation

Transitional Housing

Transitional housing programs provide supportive services and capital assistance to those most in need while keeping them housed.

Hope Springs: Hope Springs is a transitional rehabilitation program that will allow individuals to stay in tiny homes for four to six months and build the foundation needed to move into more permanent housing.



Source: Northern Nevada HOPES

Best Practices

- Prioritize or allocate a certain portion of the state fund towards support for transitional housing and/or homelessness response
- Zoning that supports group living facilities

Housing 101 Part 5

State Housing Toolkit: Financing

Overview of the Nevada Housing Funding Tools

Only a high-level summary of tools are covered:

	Funding Tool	How can it address housing?
1	Low-Income Housing Tax Credit (LIHTC)	These financial tools provide funding for a wide range of housing activities.
2	Multi-family Bond Financing	
3	Nevada State Tax Credit (STC)	
4	Account for Affordable Housing Trust Fund (AAHTF) formerly known as the Low-Income Housing Trust Fund	
5	Community Development Block Grant (CDBG)	
6	Home Investment Partnerships Program	
7	Section 108 Loan Guarantee Funds	
8	National Housing Trust Fund	
9	Federal Home Loan Bank of San Francisco Affordable Housing Program General Fund (FHLBSF AHP)	
10	Federal Historic Tax Credit (HTC)	
11	18% Set-Aside for Affordable Housing Redevelopment Agency Funds	
12	Nevada State Infrastructure Bank	

Low Income Housing Tax Credit (LIHTC)

The federal [Low-Income Housing Tax Credit \(LIHTC\)](#) is administered through the Nevada Housing Division. The State allocates these credits through a competitive process each year, and the priorities they set through that application process impact the types of housing projects that are realized throughout the state.

This is our number one tool for production and preservation of affordable housing in Nevada. The [Nevada Housing Credit State Fact Sheet](#) shown in part to the right from A.C.T.I.O.N shows the impacts in Nevada by the affordable housing developed with LIHTC.



LOW-INCOME HOUSING TAX CREDIT IMPACT IN NEVADA

THE HOUSING CREDIT'S BENEFITS FOR LOW-INCOME FAMILIES & THE ECONOMY

1986 – 2019



32,578
homes developed
or preserved in NV



75,660
low-income
households served



51,241
jobs supported
for one year



\$2 billion
tax revenue
generated



\$5.8 billion
wages & business
income generated

Best Practices

- LIHTC program, particularly the 4% tax credit, can be leveraged with local, private sector and philanthropic community dollars.

Multi-family Bond Financing

Multifamily Bond Financing is a tax-exempt bond for multifamily developments that meets economic, social and public policy goals. Tax-exempt bond authority allocated to the Nevada Housing Division is used to incentivize private developers to increase the number of affordable housing units built or existing units renovated by providing a mechanism for financing projects with a lower cost of capital than conventional financing can offer. Along with developer tax credits offered through the Low-Income Housing Tax Credit program, these developments will remain affordable, below-market residential rentals for a minimum of 30 years.

Bond financing for an affordable housing project begins at the local government level. All bond financing applicants must obtain local government endorsement (via council resolution) of their project prior to applying to the Board of Finance for approval.

Nevada typically receives approximately \$300 million in bonding capacity annually.

Tax-exempt Bonding Authority for Affordable Housing from 2018 to 2021

2018	\$91 million
2019	\$278.4 million
2020	\$266.7 million
2021	\$300.7 million

Best Practices

- Funds can be targeted by geographic location such as rural market areas.

Nevada State Tax Credit (STC)

Legislation SB448 from the 2019 Legislative Session provides transferable tax credits for affordable housing in Nevada. This is a state tax credit with a funding allocation of \$40 million. In the 2021 Session, SB254 revised the law and made improvements to increase its effectiveness.



Monetizing Our State Tax Credit was a panel discussion at the 2021 Nevada Housing Conference. Nevada HAND presented the Decatur-Alta affordable housing development. This development was awarded the first State Tax Credits. Nevada HAND noted that the \$3 million in state tax credits that were awarded leveraged \$86 million in additional funding.

Account for Affordable Housing Trust Fund (AAHTF)

Account for Affordable Housing Trust Fund (AAHTF), formerly known as the Low-Income Housing Trust Fund, is a state-funded program for affordable housing. AAHTF funds have served 46,273 households through down payments, provision of affordable rental housing, emergency expenses assistance, and/or homeowner rehabilitation assistance. Funding is supported with a real property transfer tax of ten cents for each \$500 of value or fraction thereof.

The AAHTF is primarily used as gap financing in affordable housing development projects. 5,564 units have been constructed or maintained as affordable housing through the AAHTF. The Nevada Housing Division (NHD) administers the fund.

Best Practices

- Expand use of AAHTF to allow capacity building grants and fund creative and innovative proposals that expand permanent recovery housing options.

Account for Affordable Housing Trust Fund (AAHTF)

Funding generated for AAHTF:

Year	Dollars Generated
FY19	\$7,848,882
FY18	\$8,031,600
FY17	\$6,521,578
FY16	\$5,887,710
FY15	\$4,987,803
FY14	\$4,664,239
FY13	\$4,271,403
FY12	\$3,757,557
FY11	\$4,004,431
FY10	\$4,146,253
FY09	\$5,120,933

Source: Nevada Housing Division

Community Development Block Grant (CDBG)

The **CDBG** Program is a widely appreciated and highly flexible community development tool and a genuine federal-state-local government partnership.

The state receives its CDBG funds from the federal government, and the state funds flow through the Governor's Office of Economic Development and are primarily used for economic development purposes. Entitlement communities receive their own allocations, and most of these utilize CDBG also for housing.

Fundable activities include:

Acquisition, construction or reconstruction of public facilities, demolition, rehabilitation, public services, planning and capacity building activities, and assistance to nonprofit and private entities for community and economic development activities.

Best Practices

- Align CDBG funding with existing programs that address local needs, such as preservation, rehabilitation or housing quality improvement.
- Ensure funding is keeping up with inflation.

Community Development Block Grant (CDBG)

Funding for 2021:

Entitlement Communities for CDBG	Award Amount
Clark County	\$8,218,155
Henderson	\$1,497,628
Las Vegas	\$5,373,422
Nevada	\$3,601,859
North Las Vegas	\$1,899,345
Reno	\$2,133,785
Sparks	\$695,956

Source: HUD Awards and Allocations as of 12/01/2021

Home Investment Partnerships Program (HOME)

Home Investment Partnerships Program (HOME) is a federally funded, large-scale program for affordable housing. Funds are allocated by formula to participating jurisdictions (state and local governments who receive funds to operate HOME).

HOME is designed as a partnership among the federal government, state and local governments, and those in the private sector (profit and not-for-profit) who build, own, manage, finance and support low-income housing initiatives.

Affordable housing projects with HOME funds are exempt from property taxes.

Section 108 Loan Guarantee Funds

Section 108 offers HUD grantees a source of financing in the form of federally guaranteed loans large enough to pursue physical and economic projects capable of revitalizing entire neighborhoods.

Section 108 funding can support mixed-income and mixed-use development as well as preservation efforts. Public entities that are CDBG grantees can apply to receive loan guarantees equal to five times their annual CDBG allocation in addition to their regular allocation. Under Section 108, project costs can be spread over time with flexible repayment terms and lower interest rates than could be found through private financing sources.

Although available, this source of financing has not been activated in Nevada.

Best Practices

- Loans can be used to support the development of more diverse housing options, produce more affordable rental housing and preserve affordability of existing rental housing stock

National Housing Trust Fund (HTF)

The State of Nevada is a grantee of the [Housing Trust Fund \(HTF\)](#). In 2016, the first \$174 million were allocated to states. HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. All HTF-assisted units will be required to have a minimum affordability period of 30 years. ([See HTF Fact Sheet from National Low Income Housing Coalition](#)). Nevada is required to use at least 80% of each annual grant for rental housing and up to 10% for homeownership.

As of 2018, Nevada had 2 projects that included a total of \$2 million of HTF dollars. These two projects had 122 units combined with 30 HTF units targeting populations needing Permanent Supportive Housing.

Best Practices

- Expand use of HTF to allow capacity building grants and fund creative and innovative proposals that expand permanent recovery housing options.

National Housing Trust Fund (HTF)

Allocation for NHTF:

Year	Dollars Allocated
FY21	\$6,754,852
FY20	\$3,142,533
FY19	\$3,000,000
FY18	\$3,000,000
FY17	\$3,000,000
FY16	\$3,000,000

Source: HUD Awards and Allocations

Federal Home Loan Bank of San Francisco Affordable Housing Program General Fund (FHLBSF AHP)

The [**Affordable Housing Program General Fund \(AHP\)**](#) is administered through the FHLBank San Francisco. They administer an annual funding competition where project applications are ranked based on the scoring process.

General eligibility requirements include:

- Rental housing must have at least 20% of units reserved for households at or below 50% of the HUD area median income (AMI)
- Owner-occupied housing must serve households at or below 80% AMI.

The FHLB of San Francisco also offer the [**Access to Housing and Economic Assistance for Development \(AHEAD\)**](#) and the [**Workforce Initiative Subsidy for Homeownership \(WISH\)**](#) programs:

- The AHEAD program provides grants to nonprofit organizations, local government agencies, and tribal associations engaged in economic development activities in low- to moderate-income communities
- The WISH program offers eligible low- to moderate-income households 4-to-1 matching grants of up to \$22,000 for down payment and closing costs for the purchase of a home.

Federal Historic Tax Credit (HTC)

The **Federal Historic Tax Credit (HTC)**, which is also referred to as Historical Tax Credits and Historic Rehabilitation Tax Credits, is a federal financial incentive that promotes private investment of an historic building through preservation and adaptive reuse. The tax incentive is a financial tool that is used for community revitalization and as a source of new affordable housing.

Historic Tax Credits (HTC) are available through a non-competitive, open application process. If you meet the program requirements, you can claim the credit:

- Be listed on the National Register of Historic Places, or
- Be a contributing element of a historic district listed on the National Register of Historic Places or another qualifying local historic district.

18% Set-Aside for Affordable Housing Redevelopment Agency Funds

NRS 279.676: Nevada legislation requires city agencies whose population is 500,000 or more to set aside at least 18 percent of revenue for affordable housing.

Affordable housing activities should increase, improve, preserve or enhance the operating viability of affordable housing.

Nevada State Infrastructure Bank

- This is a new tool that includes affordable housing as an eligible use. The comment period for the proposed allocation plan closed February 4, 2022. The proposal designates \$20 million of the \$75 million in the bank for affordable housing.
- Information will be updated upon plan adoption/approval by the State Infrastructure Bank Committee.

Housing 101 Supplement

ARPA Funds & Impact

TRANSFORMATIVE SOLUTIONS FOR STRONGER COMMUNITIES:

INVEST \$500 MILLION of State Fiscal Recovery Funds in Nevada's Future Through Housing Infrastructure

The American Rescue Plan Act (ARPA) has provided a once-in-a-lifetime opportunity to transform our affordable housing landscape and strategically prioritize long-lasting solutions for the benefit of all Nevadans – our underserved communities highly impacted by the pandemic, extremely low-income households, our seniors, our veterans, our workers, our children, all of us.



\$300 MILLION

Affordable Housing Multi-Family Development,
Targeting Our Highest Impacted Communities and
Greatest Need



\$130 MILLION

Affordable Housing Preservation



\$30 MILLION

Affordable Homeownership



\$40 MILLION

Land

Home Means Nevada Initiative



NEVADA Housing Coalition

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