



## **Nevada Board of Finance**

### **Nevada Housing Coalition Public Comments**

**July 24, 2020**

Good morning Governor and Board of Finance Members. My name is Christine Hess and I am the Executive Director for the Nevada Housing Coalition. The Nevada Housing Coalition is a statewide, member-based nonprofit to advance and promote affordable housing for all Nevadans.

As affordable housing advocates, we know we play a key role in economic development and as a partner, we want to recognize the significance and support of the high speed rail project and what it means, especially now, for Las Vegas, Clark County and the State of Nevada. However, we do want to take this time for public comment to point out that the use of tax-exempt bonds is the state's primary production program for affordable housing. It is also unique in that the tax-exempt bonds generate an automatic 4% tax credit (in effect, free equity to the project), which is a resource that would not come to Nevada otherwise.

The use of tax-exempt bonds for affordable housing is one of Nevada's success stories over the last several years. We had virtually no new construction bond production between 2005 and 2015, because the numbers just did not pencil. However, because of changes at the Federal level and the introduction of the Growing Affordable Housing Program by the Nevada Housing Division, we've been having a good run. Since 2017, 4,433 affordable multifamily housing units were supported through production or preservation. That is a total commitment of \$541 million of tax-exempt bonds. I want to thank this Board for your support. The Transferable State Tax Credit for affordable housing, passed in the last legislative session, was designed specifically to extend the use of the tax-exempt bond program for more affordable housing production.

Because of the severe need for affordable housing in the state as well as the importance of affordable housing as an economic development driver in and of itself, we believe that housing should be a consideration when Nevada evaluates these large requests for our State's limited tax-exempt bonding authority. The \$200 million to be allocated for the high-speed rail project is roughly 62% of the state's 2020 allocation. This project, and the previous \$272 million allocated to the Fulcrum recycling project in 2018 and 2019 open important conversations for the balance of public benefit projects. In response, the Nevada Housing Coalition will explore best practices in the allocation of bonding authority in other states and provide policy recommendations to the Housing Advisory Committee as needed.

We began 2020, with the smallest amount of carryover bonding authority from previous years in recent history. Nevada Housing Coalition members and stakeholders are aware of another 5 affordable housing projects, approximately \$100 million, in the pipeline. If all of these projects move forward, there will be a shortage of tax-exempt bonding authority. That said, as the leading advocate for affordable housing in Nevada, we want to again express our support for the use of \$200 million of Nevada's private activity bonds for this economic development win; however, we strongly, and respectfully, request that this Finance Board consider prioritizing a majority of the 2021 state bond cap allocation for affordable housing. Additionally, we respectfully ask this Board to consider requiring an affordable housing component of all large-scale job creation projects requesting tax-exempt bonds.

Thank you.