

Taking Stock



**Nevada
Housing
Division**

**2016 Annual
Affordable
Apartment Survey**

www.housing.nv.gov



Agenda Item VI A-4-HOUSING
Meeting Date: 01-23-18

From the Administrator

Nevada's economy continues to grow under the leadership of Governor Brian Sandoval. Coming out of the recent recession, it was difficult to find funding and many builders were not producing affordable housing at the rate required to meet the expanding needs. As a result, a shortage of affordable housing has been growing throughout the nation, and especially in Nevada.

Recently this trend has been softening but a serious problem with a lack of affordable housing has emerged in Nevada. Nevada Housing Division has been creating public/private partnerships and innovative programs aimed at solving this problem. In fact, the Division received the 2016 Program Excellence Award for our homeownership programs from the National Council of State Housing Agencies as recognition we are one of the best state housing agencies in the nation.



The work is far from done, and several facts remain. 46% of all households in Nevada are renters and 17% of those are considered to be extremely low income, making less than \$18,150 per year. There is a shortage of affordable housing opportunities for extremely low income families, estimated at 65,000 units, which requires our ongoing attention for the foreseeable future.

To continue to make meaningful progress will take the state and private industry working together using pioneering initiatives. Strategic investments of resources will help reverse the alarming trend of pressure on affordable housing. Our efforts are needed more than ever as Nevadans struggle to find affordable housing where they want to live and work.

With Regards,
CJ Manthe
Administrator
Department of Business and Industry
Housing Division

About Nevada Housing Division

Our mission is to provide affordable housing opportunities and improve the quality of life for Nevada residents. Nevada Housing Division (NHD), a division of the State of Nevada Department of Business and Industry, was created by the Nevada State Legislature in 1975. NHD is committed to making Nevada a better place to live and work. We connect Nevadans with homes by providing financing to developers to build affordable apartment communities, by providing innovative mortgage solutions, and by making more homes energy efficient, thereby lowering utility expenses.

Programs at a Glance

Low Income Housing Tax Credit (LIHTC)

- Since 1986 the LIHTC program has assisted in the financing of 12,399 multi-family housing units in the State of Nevada with a total of over \$121 million in nine percent housing tax credits allocated.¹
- The following objectives are identified in the 2016 Qualified Allocation Plan (QAP):
 - Increase the amount of safe and livable affordable rental housing in Nevada.
 - Preserve existing affordable rental housing.
 - Contribute to a vibrant and sustainable economy by supporting and facilitating the construction of affordable workforce housing near employment centers.
 - Increase the availability of housing with supportive services, including veterans housing.
 - Support the housing goals and objectives stated in the State of Nevada Consolidated Plan.

Multifamily Bond Financing

- The Division is the designated issuer of tax exempt housing revenue bonds. This type of financing uses tax exempt and taxable mortgage revenue bonds to fund affordable housing projects.
- Since 1975, over \$1 billion of bond financing has created over 24,000 multi-family units.

Home Investment Partnership Program (HOME)

- The HOME program is the largest Federal block grant to state and local governments designed exclusively to create affordable housing. Often used in partnership with local nonprofit groups, the program funds a wide range of activities including building, buying, and/or rehabilitating housing for rent or homeownership or providing direct rental assistance to low-income people.
- Since 1992, HOME funds have built or rehabilitated over 2,900 housing units in Nevada.



The Low Income Housing Trust Fund (LIHTF)

- LIHTF is a state funded program whose goal is to expand and improve the supply of both single and multifamily affordable housing.
- Since its inception in 1989, LIHTF funds have served nearly 43,500 households through down payment, provision of emergency housing needs, or rehabilitation assistance. This total includes over 5,500 units that have been constructed or maintained as affordable housing through the LIHTF.

The Emergency Solutions Grant (ESG)

- The ESG grant program focuses on rapid re-housing initiatives and the prevention of homelessness. The emphasis of this program is to provide various relocation and stabilization services to avoid homelessness, while also providing rapid assistance for those who are homeless to quickly obtain permanent housing and stability.
- ESG funds have provided shelter for more than 43,000 at risk Nevadans since 2001.

Neighborhood Stabilization Program (NSP)

- The goal of the program is to stabilize communities through the rehabilitation of vacant homes, and selling or renting those homes to qualified low-income families.
- NSP has served more than 350 households.

Weatherization Assistance Program (WAP)

- The Weatherization Assistance Program serves to reduce energy costs for low-income families, particularly for the elderly, people with disabilities and children by improving the energy efficiency of their homes while ensuring their health and safety. The assistance is provided to eligible clients free of charge.
- The program, established in 1977, has increased energy efficiency for nearly 28,000 units of low income housing.

NVHousingSearch.org

- This locator service is a free to use resource helping Nevadans find rental homes which fit their needs and budgets.
- There is no cost to property managers, builders and developers to list any type of Nevada rental housing. More than 41,000 units are listed and the site has logged over 50,000 searches in the past year.
- Detailed resource information and Veterans' services links are available. Additionally, a toll free call center can assist not only those looking to find a home, but also help property managers with analytics and other services.

Home is Possible Homebuyer Program

- Home is Possible increases homebuyer purchasing power by offering qualified buyers down payment and closing cost assistance equal up to 5% of the loan amount.
- The Heroes program offers low interest rates to honorably discharged veterans, active duty, surviving spouses and National Guard.
- The Home is Possible for Teachers program will help recruit and retain licensed, full-time, K-12 public school teachers by offering low rates and down payment assistance.
- Since the inception of the program at the end of 2014, the Home is Possible program has helped nearly 10,000 homebuyers and has generated close to \$2 billion in mortgages.
- 99% of program participants are first-time homebuyers.

Table 1. Tax Credit and Bond Units Built or Preserved Since Program Inception

Program	Units Built/Preserved since Inception
Tax Credit*	12,399
Bond Only	4,983
Bond with 4% tax credit	19,585
Total LIHTC/Bond	36,967

*Includes American Reinvestment and Recovery Act Tax Credit Assistance Program and Section 1602 properties and all properties currently under construction.

Each day ongoing housing challenges are met by a dedicated staff of professionals at the Division who allocate federal and state funds along with private sector investment dollars to help low to moderate income Nevadans make their housing dreams a reality.

Nevada's LIHTC Housing Stock

2016 New Construction and Preservation

This year, ten properties finished construction, lease-up and have a placed in service date that falls in 2016 or late in 2015. Six new properties with a total of 430 units were added and two additional properties with 77 units were renovated but were also new to the tax credit program. An additional two properties with 331 units received a second round of tax credits for rehabilitation. All but two of the properties were issued 9% tax credits with the remaining two financed through 4% tax credits and tax-exempt bonds. Four were family properties (338 units) and six were senior properties (500 units). One hundred and fourteen of the units were in rural Nevada, 70 in Washoe County and 654 in Clark County. The properties are listed in Table 2 and described in more detail below.

Table 2. LIHTC Properties Preserved or Created in 2016*

Property	County	# of units	Funding	Type	New or Preserved
Ensemble II	Clark	188	Bond/4%	Senior	New
Lincoln Senior	Lincoln	52	9%	Senior	Preserved
Ethel May Fletcher	Clark	60	9%	Family/Veteran	New
Lincoln Way	Washoe	45	9%	Senior/Veteran	New
Sonoma Springs	Humboldt	32	9%	Family	New
McKnight Sr.	Clark	110	9%	Senior	Preserved
Summerhill	Clark	221	Bond/4%	Family	Preserved
Larios Arms II	Humboldt	30	9%	Senior	New
Village at North	Washoe	25	9%	Family/Veteran	Preserved
Tempo II	Clark	75	9%	Senior	New

*List includes properties that had a placed in service date in 2016 or late 2015. Not all properties had stabilized at the time of the survey so they are not all included in the survey sample described in the following sections.

Ensemble II Apartments is a second phase of a new affordable apartment community serving Nevada's senior population (55 and older). The property was developed by Ovation Development Corp and is managed by Ovation Property Management. Located in Las Vegas, Ensemble Senior consists of 188 one and two bedroom apartment homes. Community amenities include an onsite fitness center, billiards, big-screen movie room, high speed internet, and on-site salon, convenience store and swimming pool.

Ethel Mae Fletcher is a veteran friendly complex that offers 60 rental units at very affordable rates. A very large community room and library offers two TV areas that are completely furnished with a computer/business room, exercise facility, public baths, gaming and full kitchen facilities. Each 1 bedroom unit offers compact tankless water heaters, gas heat pumps, all kitchen appliances, and washer/dryer hookups. The property is managed by Global Property Management Group in Las Vegas.

Lincoln Senior Housing finished extensive renovations to three senior housing facilities in August this year. The properties are located in Panaca, Pioche, and Caliente. All are one bedroom apartments originally financed through the USDA Rural Development program and will continue to have USDA rental assistance. Amenities include free Wi-Fi, computer rooms, washers and dryers on-site and covered parking. The units received energy efficiency and security upgrades, refurbishment of all surfaces, new roofing and installation of solar power energy generation. It is owned by Lincoln Senior Housing and managed by Vantage Property Management.



Lincoln Way is a newly built “all-in-one” style, senior community providing one and two bedroom units to those over 55. Built by Silver Sage Manor, a local non-profit, and managed by Weststates Property Management Company, this 45 unit complex located in Sparks, NV provides for seniors and veterans alike. Each unit is furnished with full size washer/dryers, central heat and air, built in microwaves, refrigerator, dishwasher and stove. Pets are allowed with a small deposit. Units also have private patios and decks with a large city park and senior center within one block.

Sonoma Springs is a new family friendly community in Winnemucca. It has 20 two bedroom units and 12 three bedroom units. Fitness center, laundry and computer room are available to residents on-site. This new affordable community managed by Somerset Pacific is located in one of the best outdoor recreation areas in Nevada. These homes range from 880 to 1200 sq. ft., include fully equipped kitchens with energy star appliances, central heating and air, washer/dryer hookups, with water and trash removal included.

McKnight Sr. was built in 1997. This recently renovated property is managed and was renovated by GKS Development Inc. This experienced Las Vegas developer has been building senior rental housing since the mid 1990’s. With 110 one bedroom units that include kitchens, dishwashers, and security systems, this property recently completed a facelift that now offers new interior and exterior paint, resurfaced cabinets, updated vinyl wood flooring and many other new features.

Summer Hill has recently completed a renovation project on its 221, two, three and four bedroom units. This \$11.5M dollar project completed by Argenta Construction Group LLC is managed by Cornerstone Residential of Bountiful, Utah. The property was originally constructed in 1998 and consists of 14 residential buildings, community space and an onsite management office.

Larios Arms II is a second phase of a housing tax credit project completed this past July with the addition of 30 new senior living units. This project is available for people aged 55 and above with features such as a community room, exercise room, library and computer room. These senior living units located in Winnemucca continue to enhance our rural communities. Ascent Construction, Inc. was the contractor and Weststates is the property manager for the day to day operations.

Village at North represents a first of its kind property in the State of Nevada. This 25 unit complex offers quality affordable living to Nevada veterans and their families. Northern Nevada Community Housing is a nonprofit established in 1989, they provide property management services for tax credit



properties such as Village at North. These units include all utilities, free Wi-Fi, A/C, Energy Star appliances, fully furnished with on-site laundry facilities, library, TV and gaming systems.

Tempo II Apartments is the second phase in an affordable apartment community serving Nevada's senior population. The 75 unit property continues to be developed by Ovation Development Corporation and is managed by Ovation Property Management. Located in Las Vegas, Tempo II consists of one bedroom apartment homes. Community amenities include an onsite fitness center with an activities

coordinator, a pool and recreation areas, and resident clubhouse.

Properties that exited the LIHTC system in 2016

The tax credit program requires properties to maintain restrictions on rents and on incomes of tenants for a period of at least 30 years. However, the tax credit benefits end after 10 years and active Internal Revenue Service (IRS) compliance ends after 15 years. After this initial 15 year period, in some cases owners of tax credit properties may request that the Housing Division find a buyer for the property, with the price determined by IRS formula. If no buyer can be found after one year, owners may opt out of the extended affordability period and sell the property. This is called the qualified contract (QC) process. This year, five LIHTC properties with a total of 1,030 units exited the system as seen in Table 3. All the properties were issued 4% tax credits and bonds in 1998, had a placed in service date of approximately year 2000 and left through the qualified contract process. All were large family properties with a mix of one, two and three bedroom apartments except for Cheyenne Point, which also had four bedroom apartments. Preliminary results from a study of former tax credit properties in Las Vegas showed that most former LIHTC properties did not, as of 2015, charge higher rents than average active tax credit properties.

Table 3. LIHTC Properties Exiting the System in 2016

Property	County	TC Issue Year	PIS Year	# of units
Autumn Ridge	Clark	1998	2000	168
Casa Sorrento	Clark	1998	2000	236
Cheyenne Point	Clark	1998	1999	204
South Valley	Clark	1998	2000	270
Verona	Washoe	1998	2000	152

*The PIS date is an approximation since the Placed in Service date actually occurs building by building and may involve more than one year for a large property.

Executive Summary

This report provides an analysis of data collected through the Nevada Housing Division's (NHD) 2016 Affordable Apartment Survey. The survey focused on Low Income Tax Credit Housing (LIHTC) properties. Some notable findings are as follows:

- Overall vacancy rate in the 4th quarter of 2016 for the Nevada LIHTC responding properties was 4.1%, almost exactly the same as 2015.
- The median vacancy rate reported was 2.1%, meaning that half of all responding properties had a 2.1% vacancy rate or lower.
- Sixty-two properties, or 29%, of the responding properties, reported that all units were full, that is, 0% vacancy rate.
- Senior or senior/disabled LIHTC properties had overall average vacancy rates 3.0% lower than family properties. The spread between the two types of properties widened a half a percentage point as compared to 2015.
- On average in 2016 LIHTC properties reported rents increased 1% in Las Vegas and 3% in Reno/Sparks over 2015 rents.
- On average, rents rose more for private market units than for LIHTC units this year, creating a greater divergence in rents for most types of units.
- One, two and three bedroom average rents in LIHTC properties ranged from 21% to 28% lower than market rates.
- About 75% of the LIHTC properties without rental assistance reported all or some of their units were at maximum rent. For senior properties, 88% reported all or some units were at maximum rent while for family properties, 63% were.
- Nevada LIHTC properties reported the lowest average skip rate of the period from 2013 to 2016. Overall, there were an average of 0.9 skips per month per hundred units reported in 2016 as compared to 1.2 in 2015.
- A total of 9,470 households were on waiting lists for tax credit properties. The number was up 18% from last year.
- About 11% of LIHTC units were rented with the help of a Housing Choice Voucher or other tenant based rental assistance.
- An estimated 1,830 Nevada veteran households are housed in LIHTC properties, about 7.4%, slightly more than the estimated 1,723 from 2013.
- One third of the LIHTC properties reported having at least one tenant with a permanent supportive housing arrangement. A total of 410 tenants with permanent supportive housing arrangements were reported in 70 different properties.



Introduction

The Division carried out a survey of the Low Income Housing Tax Credit (LIHTC) properties in October and early November of 2016. The survey helps identify affordable housing needs throughout the state. Additionally, the Division is able to work with its partners to make the best use of resources such as tax credit and bond funding in support of fulfilling its mission to provide affordable housing opportunities to individuals and families throughout Nevada.

The LIHTC program is a federal tax incentive program administered by the Internal Revenue Service (IRS) through regulations published under Section 42 of the Internal Revenue Code.ⁱⁱ The role the program's public private partnership plays in affordable housing is large. In 2016, tax credit units currently active or under construction made-up about 9% of the estimated 282,000 multi-family units in Nevada.ⁱⁱⁱ The LIHTC program is by far the largest in Nevada, and nation-wide, for producing affordable rental housing. Seventy-five percent of affordable multi-family housing units in Nevada have been constructed or rehabilitated fully or partially with tax credit funding.^{iv} It is estimated the LIHTC program is now responsible for 90% of nationwide funding for new affordable housing.^v

Methodology of Survey

The 2016 Affordable Apartment Survey was focused on Nevada's LIHTC properties. Properties built with either 4% or 9% tax credits are included. A Qualtrics™ internet survey of LIHTC properties was carried out in the fall of 2016. Survey questionnaire links were sent via e-mail to property management offices with a list of the relevant properties. Home offices filled out the questionnaires or distributed them to onsite managers as necessary. Email was used to send out notices of the upcoming survey and several reminders. Follow-up phone calls were used as well to remind property managers who had not returned a survey. A small pilot survey in September produced data that was similar enough to the final version that both datasets could be used together. In addition, a pilot project that used rent and vacancy data from NVHousingSearch.org was used with one large property management team this year. Data from a much shorter survey and from the NVHousingSearch.org listings was merged into the main dataset. The main questionnaire for all property management teams was shorter than last years' as well so data could be collected and results compiled before the legislative session in early February. A question on veterans' use of tax credit properties, first used in 2013, was added back into the questionnaire along with a question about tax credit property involvement with permanent supportive housing arrangements. Hard-copy forms of the electronic questionnaires used are included in the Appendices.

Survey Sample Description

The properties surveyed constitute the active LIHTC properties listed on the auditing rolls of NHD as of September 2016. Special use properties and new properties not yet stabilized were excluded.^{vi} These properties represented 22,583 units. Each year has a slightly different group of participating properties due to new properties added, properties having exited the system and variations in response rate. This year had an especially high response rate so is more inclusive. The return rate was 98% with

221 of the properties responding. These properties represent 99.6% of the units surveyed (see Table 4). Las Vegas and surrounding communities had 110 responses, the Reno-Sparks region had 48 responses and 63 responses were from the remaining 15 Nevada counties. Response rates were highest in Clark County and lowest in Washoe County. Sixty-four percent of the units represented in the survey are located in Clark County.

About 2% of the units were reported to be market rate units or manager units. About 39% of the units were reported to be either senior units or senior/disabled units. Twenty-four percent of responding properties containing 12% of the units reported having property based rental assistance available from United States Housing and Urban Development (HUD) programs, United States Department of Agriculture Rural Development programs or other programs.

Table 4. Survey Respondents and Response Rate by Region

Region	Properties Responding	Property Response Rate	Units Represented	% Units Represented
Clark Co.	110	100.0%	14,365	100.0%
Washoe Co.	48	96.0%	5,515	99.2%
Rural Nevada	63	96.9%	2,604	98.0%
Total	221	98.2%	22,484	99.6%

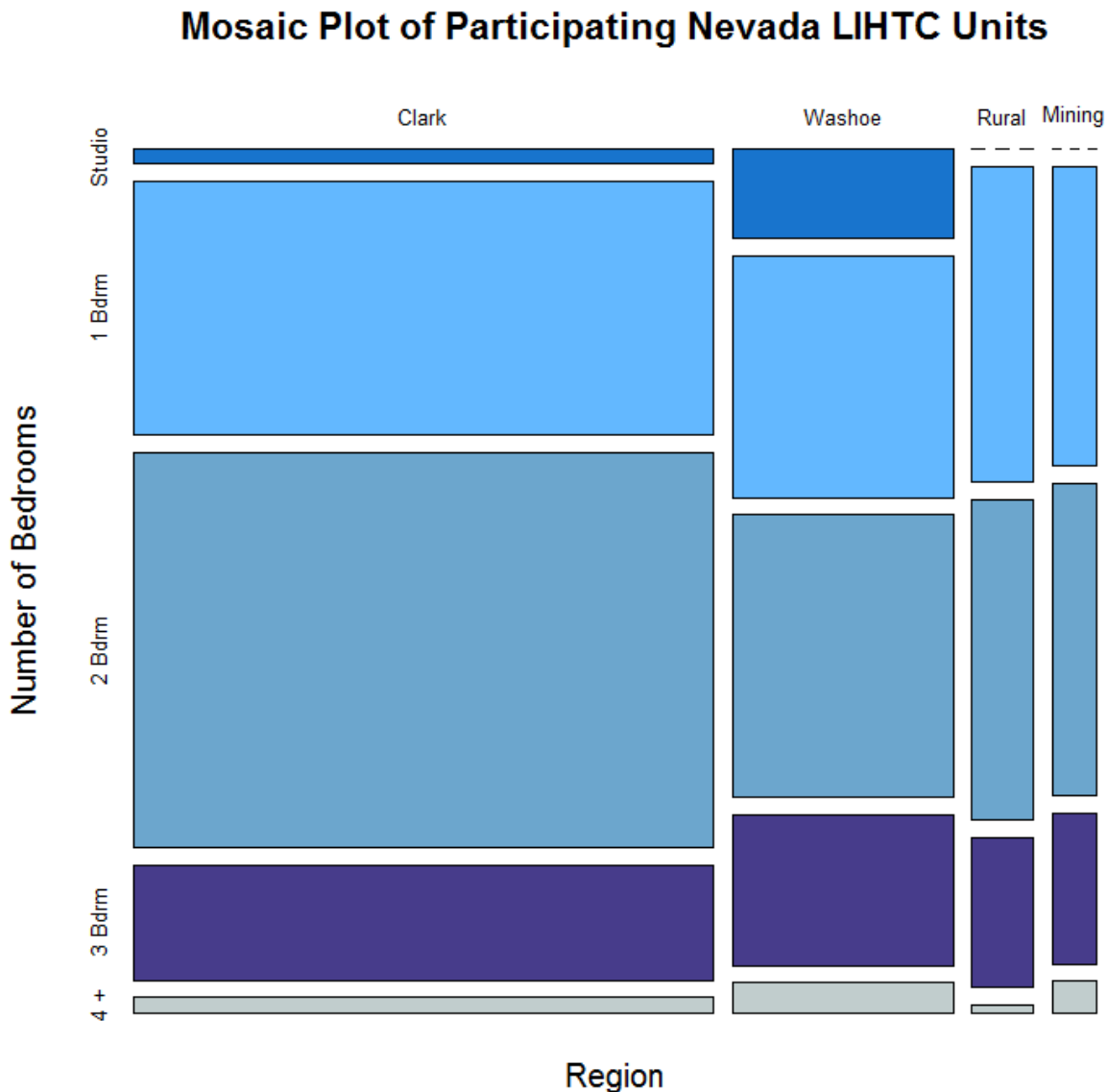
Vacancies

Nevada LIHTC overall vacancy rate is 4.1%

The final sample included 213 properties' information on vacancies.^{vii} The mosaic plot in Figure 1 illustrates the distribution of the LIHTC units included in this sample. Sixty-four percent of the units were in Clark County, 24% in Washoe County, 5% in rural mining counties (Elko, Eureka, Humboldt, Lander, Nye, Pershing and White Pine) and 7% in the remaining rural counties (these are Douglas, Lyon, Lincoln, Churchill, and Carson City; the counties of Esmeralda, Mineral and Storey do not yet have tax credit properties). Four percent of units reported were studio units, 32% were one bedroom units, 45% were two bedroom, 16% three bedroom and 2% were four or five bedroom units. The majority, over 68% of the units, were either in Washoe or Clark County and were one or two bedroom units.

Overall vacancy rate in the 4th quarter of 2016 for the Nevada LIHTC responding properties was 4.1%, almost exactly the same as last year's rate as reported in Taking Stock 2015. The median vacancy rate reported was 2.1%, meaning that half of all responding properties had a 2.1% vacancy rate or lower. Sixty-two properties, or 29%, of the responding properties, reported that all units were full, that is, 0% vacancy rate. One hundred and sixty three properties (77%) had a vacancy rate of 5% or less. There were 12 outlier properties with vacancy rates higher than 10%, the majority of which were rural properties.

Figure 1. Distribution of Nevada LIHTC Units by Region and Bedroom Size



LIHTC vacancy rates in Washoe County decreased while Clark’s increased slightly

Vacancy rates remained higher in Clark County as compared to Washoe County for all unit sizes as well as for the overall rate. Clark County properties reported a 4.4% overall vacancy rate as compared to 4.3% in the 4th quarter of 2015. Washoe County reported an overall vacancy rate of 3.1% in 4th quarter 2016 as compared to 3.5% in 4th quarter 2015. Mining counties experienced a substantial increase in vacancy rates on average from 4.8% to 7.3%, while other rural counties, which include several counties considered to be within the “Tesla effect” zone of influence in northwestern Nevada, experienced a decrease from 4.2% to 3.0%. Two new LIHTC properties opened in 2016 in the mining region while mining employment was down.^{viii} However, the smaller number of properties and units in the rural counties will naturally lead to greater variability in vacancy rates for these regions. Vacancy rates for studio apartments tied for lowest overall with one bedroom units and were highest on average for three bedroom units.

Table 5. 4th Quarter 2016 vacancy rate for LIHTC properties by region

Number of Bedrooms	Clark	Mining Counties ^{ix}	Other Counties	Washoe	Nevada
Studio (0 bdrm)	5.2%	NA	NA	2.1%	3.1%
One bedroom	3.5%	2.9%	2.4%	2.2%	3.1%
Two bedroom	4.5%	10.4%	3.2%	3.3%	4.4%
Three bedroom	6.2%	8.2%	3.2%	5.1%	5.8%
Overall average	4.4%	7.3%	3.0%	3.1%	4.1%

Tesla Effect on LIHTC vacancy rates

In northern Nevada much discussion has centered on the “Tesla effect” on the economy. Tesla made a decision in 2014 to build a “gigafactory” in Storey County near Reno. The announcement appeared to encourage other tech and manufacturing businesses to move to the region as well. New jobs are expected to bring a surge in population with accompanying needs for housing.

A “Tesla” region was defined for the LIHTC data as Washoe, Carson City, Lyon and Douglas Counties. The Tesla region had an overall vacancy rate that was the same as Washoe County (3.1%). Vacancy rates by floor plan also were quite similar to Washoe County vacancy rates.

LIHTC vacancy rates decrease more than market rate over the past two years

Average fourth quarter 2016 market vacancy rates for multi-family properties reported in Las Vegas and Reno have decreased since 2015, continuing a downward trend since 2013. Las Vegas apartments saw a decrease in average vacancies from 6.8% to 6.4% and in Reno-Sparks the rate stabilized at 2.9% as measured by Johnson and Perkins and but decreased from 4.3% to 3.4% as measured by ALN Apartment data.^x Reno’s overall LIHTC vacancy rate (3.1%) remained closer to the market vacancy rate (2.9% or 3.4%) than Las Vegas’ rate. This year the ALN series for Reno became available and has been added on the line “Reno market rate 2” to compare with the LIHTC vacancy rate and Johnson and Perkins market rate. One difference in the methodology is that Johnson and Perkins survey only properties with 80 or more units that have “competitive management on-site” while ALN uses properties with 50 or more units. The ALN data appears to be more inclusive. Also, the ALN data is monthly whereas the Johnson and Perkins series is quarterly. Minimum size of tax credit properties in Washoe County used in the sample was 25 units. These differences may be driving different averages and in the case of the ALN data the LIHTC vacancy rate is generally lower than market in Reno. In Clark County, affordable properties again reported a much lower average vacancy rate (4.4%) than did market properties (6.4%). As shown in Table 6, for both the Reno and Las Vegas market over the two-year period from 4th quarter 2013 to 4th quarter 2016, the decrease in vacancy rates has been greater for the LIHTC properties, with Las Vegas LIHTC properties experiencing the largest decrease (3.4%).

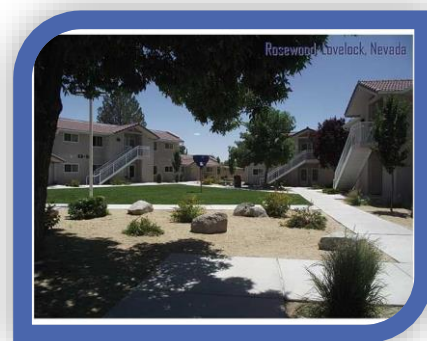
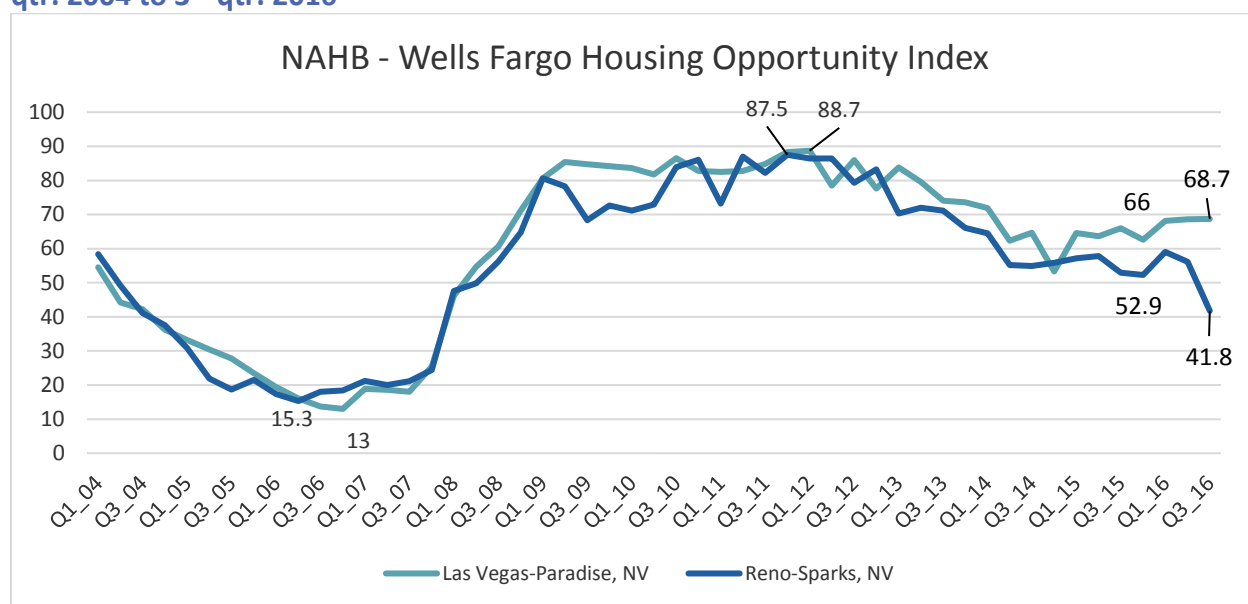


Table 6. Comparison of 4th quarter market and LIHTC vacancy rates

Region/Type	2013	2014	2015	2016	Change 2013 to 2016
Las Vegas - market rate	9.1%	7.7%	6.8%	6.4%	-2.70%
Las Vegas – LIHTC rate	7.8%	5.5%	4.3%	4.4%	-3.40%
Reno- market rate 1	4.1%	3.3%	2.9%	2.9%	-1.20%
Reno- market rate 2	4.0%	3.9%	4.3%	3.4%	-0.60%
Reno- LIHTC	5.3%	3.8%	3.5%	3.1%	-2.20%

Sources: See endnote 9.

Figure 2. National Association of Home Builders – Wells Fargo Housing Opportunity Index, 1st qtr. 2004 to 3rd qtr. 2016



National Association of Home Builders. NAHB-Wells Fargo Housing Opportunity Index. <http://www.nahb.org/en/research/housing-economics/housing-indices/housing-opportunity-index.aspx> accessed 11-30-2016

Economic context for 2016: Nevada regains all jobs lost in Great Recession

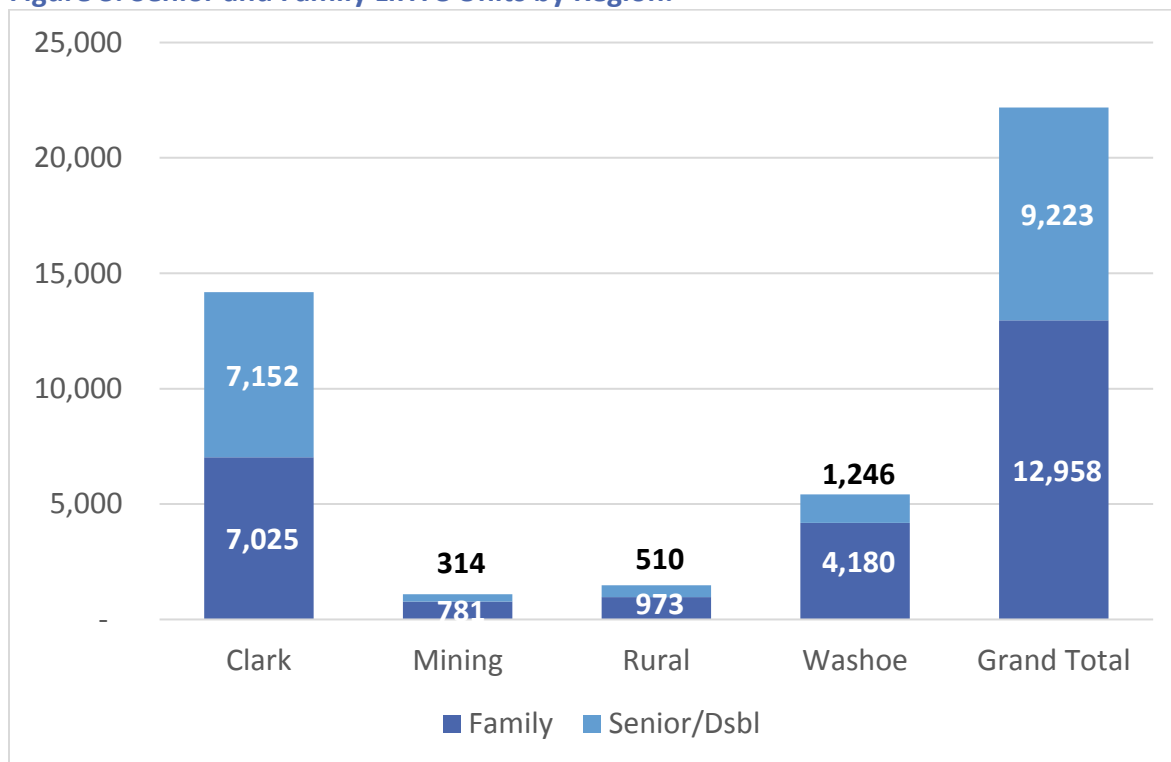
The Nevada economy has continued to recover from the Great Recession. In 2016, Nevada finally regained all the jobs lost during the recession and hit a new high for employment.^{xi} For context, Figure 2 gives the housing opportunity index from the National Association of Home Builders. The index gives the share of homes sold that would be affordable to the median income family. At the peak of the housing boom in 2006, this share was only 15% in Reno-Sparks and 13% in Las Vegas-Paradise. As prices plummeted, the share rose to 87% in Reno-Sparks and 89% in Las Vegas-Paradise. This rise in affordability may have meant rents in single family homes competed with tax credit properties for larger size units. Currently, affordability of single family homes has been in more moderate territory. When compared to 3rd quarter 2015, Reno-Sparks’ index has decreased about 20% in affordability, perhaps a reflection of the so-called Tesla effect due to the construction of its large manufacturing

plant and an associated influx of other businesses. Reno became much less affordable than Las Vegas. Las Vegas’ index increased slightly from 66.0 to 68.7 over the past year.

Senior LIHTC vacancy rates remain low

This year’s survey sample contained nearly the entire population of tax credit properties. As such the sample distribution of senior and family units by region gives a reasonably good picture of the entire tax credit inventory. Figure 3 gives the number of senior and family units by region. Remarkably, 50% of Clark County tax credit units are for seniors or qualified disabled individuals, while in Washoe County only 23% of tax credit units are set aside specifically for seniors or disabled individuals. Overall, about 42% of Nevada tax credit units were for seniors or qualified disabled individuals. Some special use properties as well as very newly finished properties have not been included in the sample.

Figure 3. Senior and Family LIHTC Units by Region.



Senior or senior/disabled LIHTC properties had overall average vacancy rates 3.0% lower than family properties. The spread between the two types of properties widened a half a percentage point as compared to 2015. The largest difference in vacancy rates was for two bedroom units. Washoe County LIHTC senior/disabled properties reported a vacancy rate of 2.0% for one bedroom units and 3.8% for two bedroom units. Both vacancy rates were higher than 2015 for Washoe County. Clark County also continued to have tighter supply conditions for senior units than for family units. Clark County vacancy rates for senior units were 2.7% for one bedroom and 1.9% for two bedroom units, up 0.1% and down 1.2% from 2015 respectively.

Table 7. 4th quarter 2016 vacancy rates for LIHTC senior and family properties

Number of Bedrooms	Family	Senior
Studio (0 bdrm)	3.2%	2.5%
One bedroom	4.1%	2.5%
Two bedroom	6.0%	2.1%
Three bedroom	5.8%	NA
Four bedroom	3.0%	NA
Overall average	5.3%	2.3%



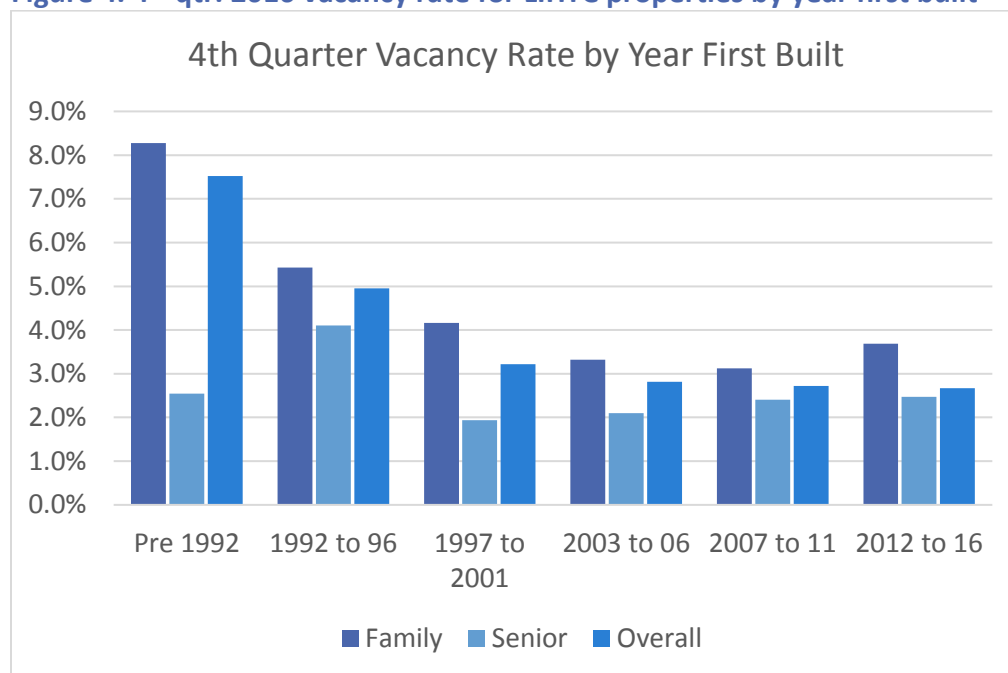
Table 8. 4th quarter 2016 senior and family vacancy rates for properties in Washoe & Clark Co.

	Senior		Family	
	Clark	Washoe	Clark	Washoe
One bedroom	2.7%	2.0%	5.4%	2.4%
Two bedroom	1.9%	3.8%	7.1%	3.2%

New LIHTC properties have lower vacancy rates

The oldest properties reported the highest vacancy rates regardless of whether they had been rehabbed. When broken out by senior and family categories, the pattern of higher vacancy rates with greater age was not as clear, especially for senior properties (Figure 4). The relationship between age and vacancy rate may be less stable as vacancy rates drop.

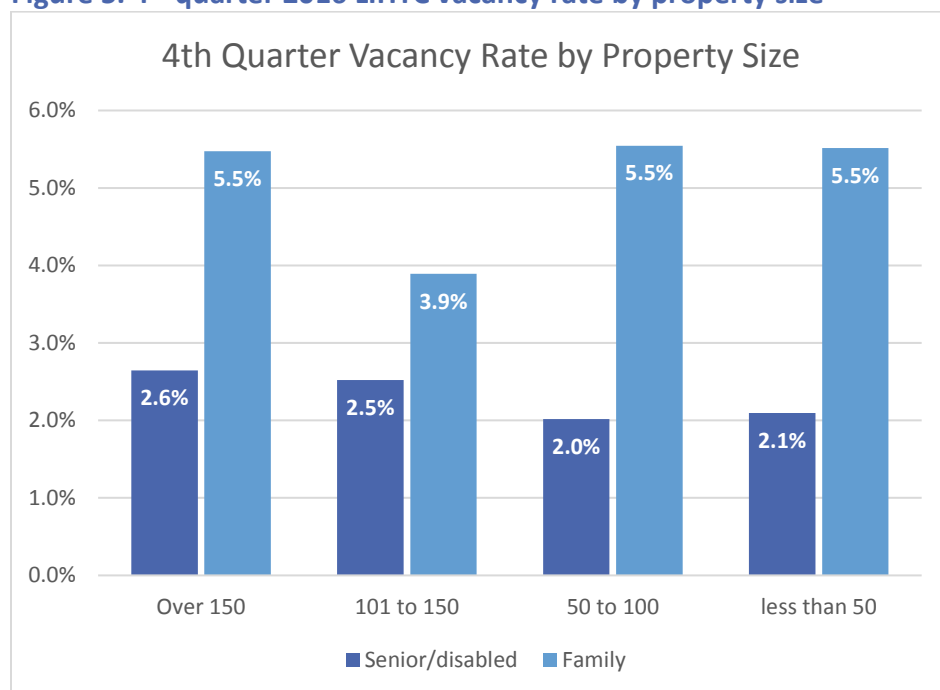
Figure 4. 4th qtr. 2016 vacancy rate for LIHTC properties by year first built



Relationship between property size and vacancy not clear

The relationship between vacancy rates and size of property was not very strong. The 2014 data showed a strong relationship. This was at a time of higher vacancy rates, perhaps allowing more discrimination between properties. 2015 and 2016 data both did not provide as strong a relationship.

Figure 5. 4th quarter 2016 LIHTC vacancy rate by property size



Extra-large affordable properties had high vacancy rates on average for both senior/disabled and family properties. However, for family properties, vacancy rates were as high at properties with 50 to 100 units and less than 50 units. Clark and Washoe County properties were also looked at separately. Vacancy rates in Clark County overall had a strong pattern and were highest for extra-large properties of more than 150 units (Clark 5.2%) when compared to any of the other property sizes. However in Washoe County this relationship between size of property and high vacancy rates no longer held. The other counties' LIHTC properties were primarily less than 50 units.

Rents

Rents for tax credit properties in Nevada are lowest in Clark County

Rent restrictions are governed both by IRS rules with regard to tax credit properties and by agreements developers entered into in the Qualified Application Process when competing for tax credits. Often layering with HOME or other funding sources adds restrictions as a part of the agreement. The agreements may include promises to restrict rents even more than required by LIHTC tax regulations. In addition, landlords may reduce their rents below the maximum if so desired in order to compete in the market. Property managers were asked to give a "lowest" and "highest" rent for each unit according to number of bedrooms.

Average high rents for studios were lowest in Washoe County, in Clark County for one and two bedroom and in mining counties for three bedroom units. Mining counties are Elko, Eureka, Humboldt, Lander, Nye, Pershing and White Pine. Some properties in remote regions of mining counties bring the averages down for the three bedroom rent. The highest average rent reported for two and three bedroom units was in Washoe County.

Average lowest rents charged were the lowest in Clark County for one and two bedroom units. Mining counties reported the lowest low average rents for three bedroom sizes.

Table 9. Average highest LIHTC rents by region and by number of bedrooms

Number of Bedrooms	Clark	Mining	Other	Washoe	Nevada
Studio (0 bdrm)	\$ 642	NA	NA	\$ 572	\$ 593
One bedroom	\$ 635	\$ 727	\$ 654	\$ 709	\$ 658
Two bedroom	\$ 749	\$ 753	\$ 773	\$ 819	\$ 764
Three bedroom	\$ 866	\$ 778	\$ 851	\$ 1,012	\$ 903
Overall average	\$ 732	\$ 747	\$ 749	\$ 807	\$ 752

Table 10. Average lowest LIHTC rents by region and number of bedrooms

Number of Bedrooms	Clark	Mining	Other	Washoe	Nevada
Studio (0 bdrm)	\$ 573	NA	NA	\$ 511	\$ 530
One bedroom	\$ 524	\$ 594	\$ 576	\$ 591	\$ 547
Two bedroom	\$ 629	\$ 662	\$ 721	\$ 670	\$ 644
Three bedroom	\$ 803	\$ 728	\$ 826	\$ 884	\$ 825
Overall average	\$ 624	\$ 649	\$ 694	\$ 681	\$ 644

4th quarter LIHTC rents were lower than market rents in 2016 except for studio units

The LIHTC average high rents were compared to market rate rents. As was the case in the past several years, average LIHTC rents were found to be well below average market rents. The one exception was studio rents in Clark County. Average LIHTC studio rents were actually higher than market rate rents in Clark County. However, one, two and three bedroom average rents in LIHTC properties ranged from 21% to 28% lower than market rates.

Table 11. Comparison of 4th quarter 2016 market and LIHTC rents in Washoe County

Number of Bedrooms	LIHTC	J & P market	% lower
Studio (0 bdrm)	\$ 572	\$ 673	15%
One bedroom	\$ 709	\$ 939	24%
Two bedroom	\$ 819	\$ 1,141 ^{xii}	28%
Three bedroom	\$ 1,012	\$ 1,382	27%

*Johnson and Perkins and Associates, Apartment Survey, 4th Quarter 2016 draft, Reno Sparks Metro.

Table 12. Comparison of 4th quarter 2016 market and LIHTC rents in Clark County*

Number of Bedrooms	LIHTC	ALN Apt. (Oct. 2016) market**	% lower
Studio (0 bdrm)	\$ 642	\$ 603	-7%
One bedroom	\$ 635	\$ 806	21%
Two bedroom	\$ 749	\$ 955	22%
Three bedroom	\$ 866	\$ 1,107	22%

*Five percent of LIHTC units are outside of greater Las Vegas.

**ALN Apartment Data Las Vegas Review Oct. 2016. <http://www.alndata.com/market-news/> accessed 11-29-2016.

2016 - 4th quarter 2016 rents higher than 2015 4th quarter rents

Maximum allowable rents are complex and, since the Housing and Economic Recovery Act reforms, must be calculated on a property by property basis. They depend on regional HUD median incomes, determined annually, and also on the date each property is put into service, whether median incomes have increased or decreased and other factors.^{xiii} Any change in utility costs could also influence rent. Gross rents are restricted in tax credit properties. Gross rent includes utility costs. Utility costs are paid for by the tenant for a majority of Nevada's tax credit units (Taking Stock 2015 found that 77% of tenants paid for all utilities). If so, rents must be reduced by an estimated utility allowance.

HUD median income was still 5% lower in Clark County in 2016 than it was in 2013 and in Washoe County it was only 3% higher (see Figure 6). From 2015 to 2016 HUD median income increased 1% in Clark and 6% in Washoe County.^{xiv}

Nevada average residential prices for natural gas and electricity trended lower from 2015 to 2016.^{xv} See Figure 7 and 8 below.

Both increases in median income and decreases in utility costs could have allowed LIHTC rents reported in the 2016 survey to increase over those reported in 2015. Also, owners that were not charging maximum rents may have raised rents. On average LIHTC properties reported rents increased 1% in Las Vegas and 3% in Reno/Sparks over 2015 rents. In comparison, market rate rents increased by 7% in Las Vegas and by 13% in Reno/Sparks. From 2014 to 2015, Las Vegas LIHTC properties reported an average increase in rent of 10% and in Reno/Sparks 4%.

The trend in rents from 2013 to 2016 was different for market properties and tax credit properties. While last year overall rents increased for tax credit and market properties by about the same amount over the period, this year market properties increased rents by 11 percentage points more over the period from 2013 to 2016 in Reno/Sparks while in the Clark County area, rents in market properties increased by 7 percentage points more.



Figure 6. HUD Median Family Income from 2013 to 2016 for Reno-Sparks and Las Vegas-Paradise

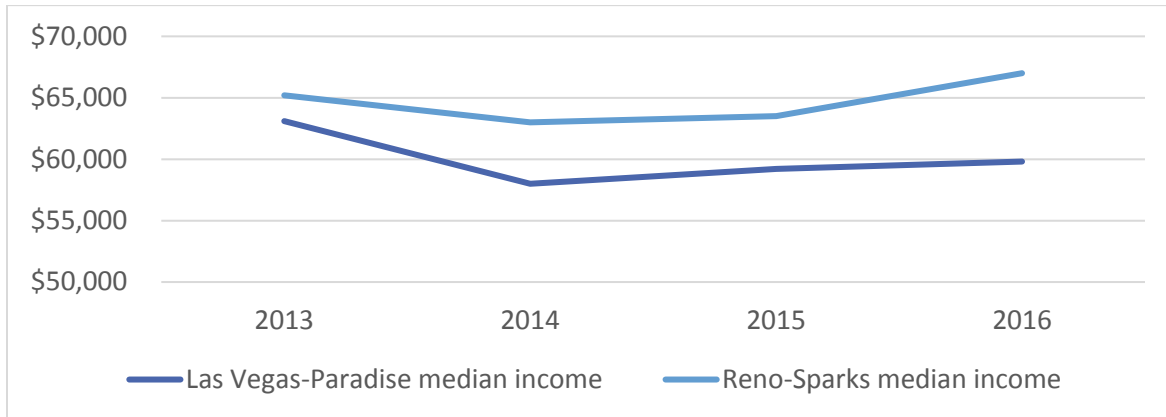


Figure 7. Nevada Residential Price for Electricity (Cents/kWh)

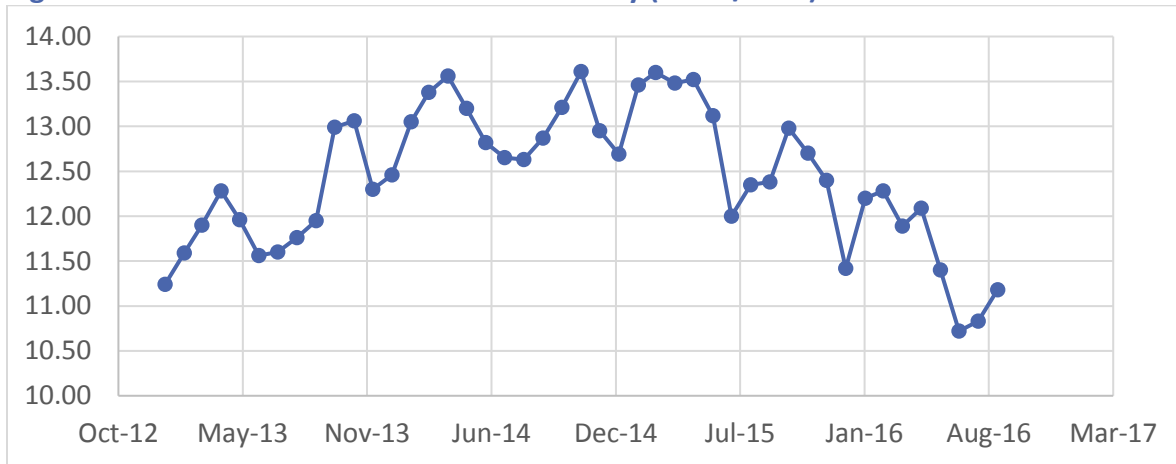


Figure 8. Nevada Price of Natural Gas Delivered to residential Consumers (\$/1000 Cubic Ft)

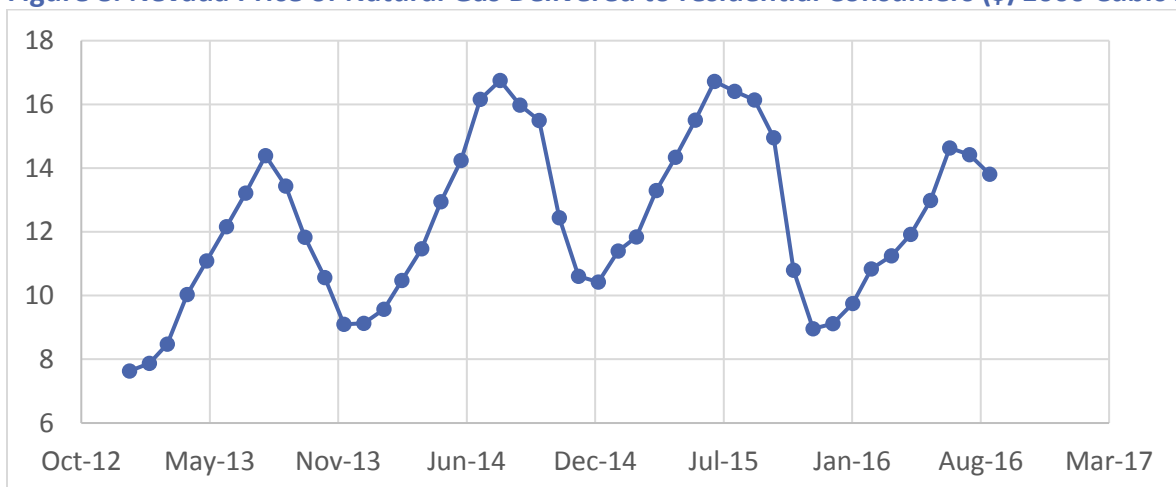


Table 13. Comparison of 4th quarter rents in Washoe County from 2013 to 2016

Type of unit	2013	2014	2015	2016	Increase 2013 to 2016
Studio – J & P market rate	\$ 545	\$ 555	\$ 580	\$ 673	23%
Studio - LIHTC	\$ 544	\$ 550	\$ 577	\$ 572	5%
One bdrm - J & P market rate	\$ 717	\$ 775	\$ 840	\$ 939	31%
One bdrm - LIHTC	\$ 626	\$ 665	\$ 686	\$ 709	13%
Two bdrm - J & P market rate	\$ 878	\$ 918	\$ 1,003	\$ 1,141	30%
Two bdrm - LIHTC	\$ 699	\$ 741	\$ 805	\$ 819	17%
Three bdrm- J & P market rate	\$ 1,117	\$ 1,176	\$ 1,263	\$ 1,382	24%
Three bdrm - LIHTC	\$ 929	\$ 983	\$ 962	\$ 1,012	9%
Overall- J & P market rate	\$ 860	\$ 868	\$ 946	\$ 1,066	24%
Overall - LIHTC	\$ 716	\$ 755	\$ 784	\$ 807	13%

Table 14. Comparison of 4th quarter rents in Clark County from 2013 to 2016*

Type of unit	2013	2014	2015	2016	Increase 2013 to 2016
Studio – ALN market rate	\$ 495	\$ 517	\$ 571	\$ 603	22%
Studio - LIHTC	\$ 473	\$ 486	\$ 624	\$ 642	36%
One bdrm - ALN market rate	\$ 665	\$ 701	\$ 754	\$ 806	21%
One bdrm - LIHTC	\$ 572	\$ 569	\$ 637	\$ 635	11%
Two bdrm - ALN market rate	\$ 798	\$ 838	\$ 896	\$ 955	20%
Two bdrm - LIHTC	\$ 670	\$ 688	\$ 735	\$ 749	12%
Three bdrm- ALN market rate	\$ 928	\$ 971	\$ 1,040	\$ 1,107	19%
Three bdrm - LIHTC	\$ 756	\$ 805	\$ 867	\$ 866	14%
Overall- ALN market rate	\$ 759	\$ 798	\$ 856	\$ 913	20%
Overall - LIHTC	\$ 649	\$ 657	\$ 724	\$ 732	13%

*Five percent of Clark County LIHTC units are outside of greater Las Vegas.

Figure 9. Las Vegas Rent Trends 4th quarter 2013 to 4th qtr. 2016

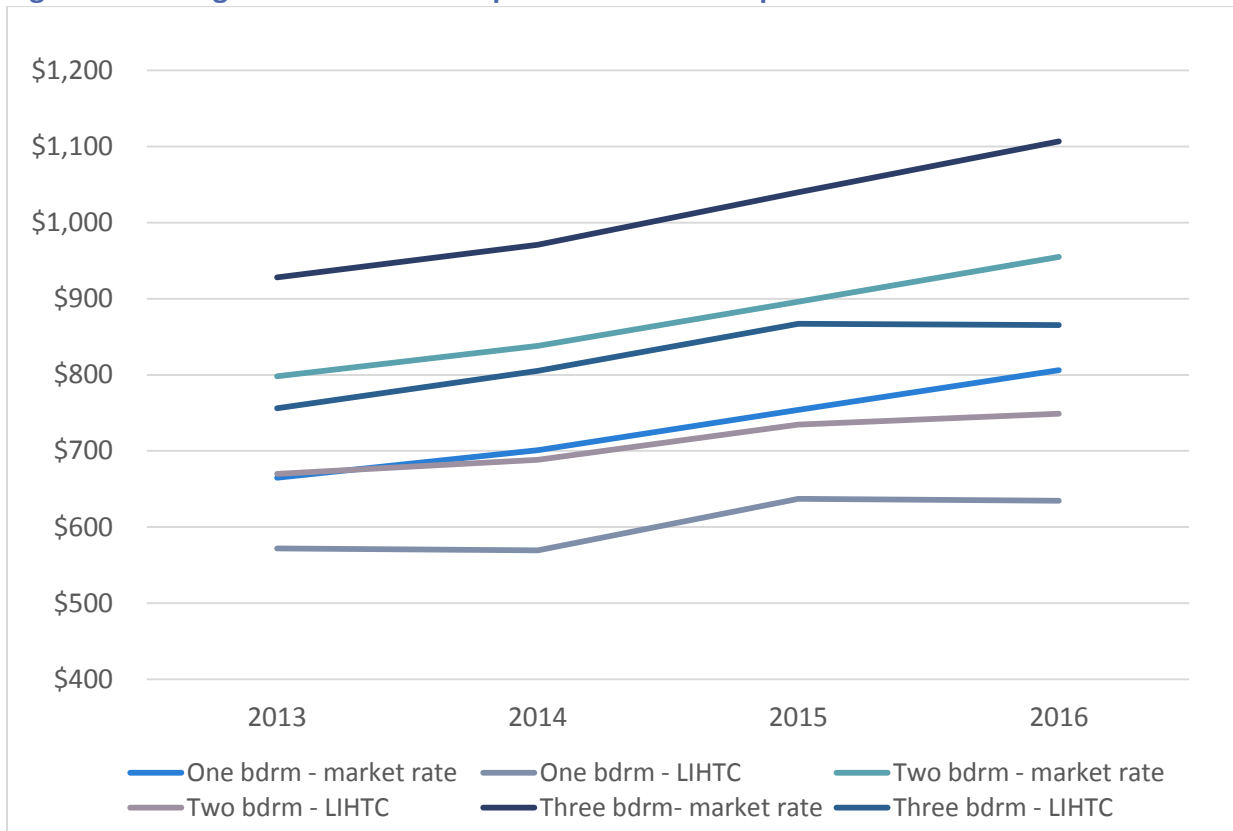
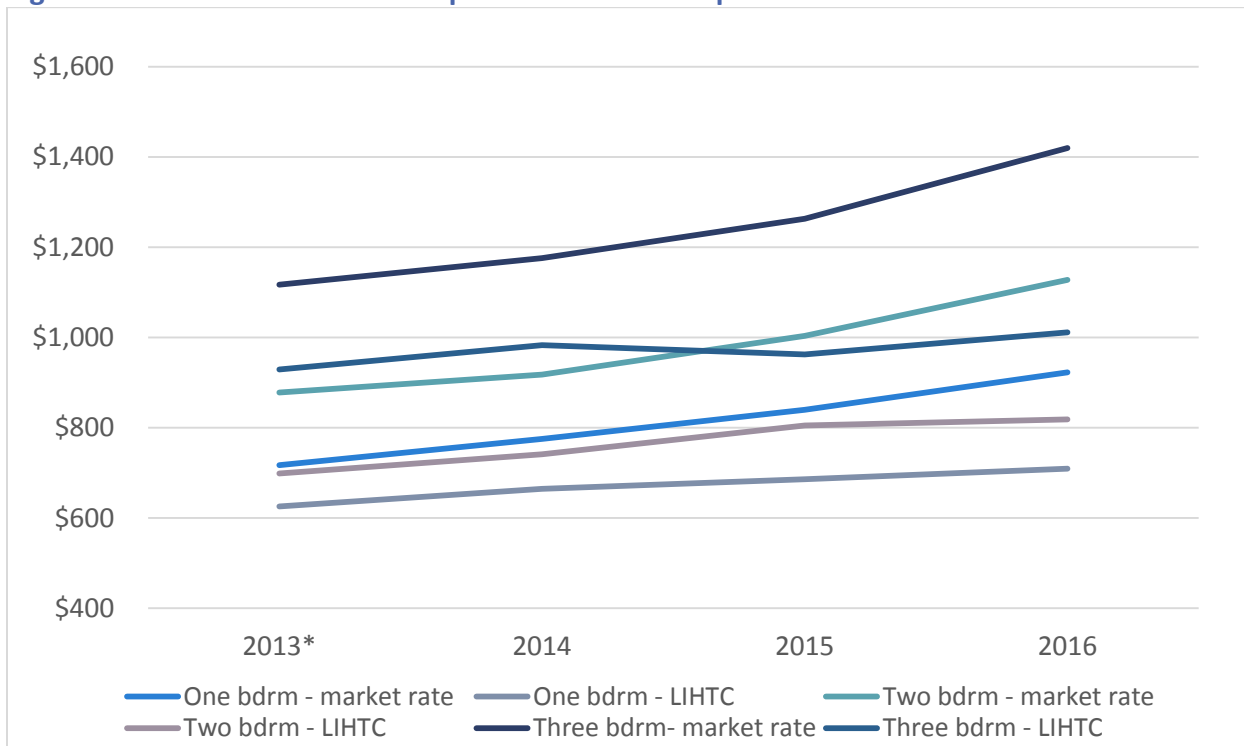


Figure 10. Reno Rent Trends 4th quarter 2013 to 4th qtr. 2016



Maximum allowable rents

Owners of tax credit properties may charge below the maximum allowable rent for a unit if they desire to do so. In some situations, market rents could be lower than the maximum allowable rents and a property owner might have to lower the rent to compete. In the 2016 survey, the following question about maximum rents was asked:

Are all rents at the maximum level allowable given this properties' AMI set asides?

- Yes (4)
- No (5)
- Some units (please estimate how many) (6) _____
- Other (please explain) (7) _____
- Not sure (8)

About 75% of the LIHTC properties without rental assistance reported all or some of their units were at maximum rent. For senior properties, 88% reported all or some units were at maximum rent while for family properties, 63% were. For properties without rental assistance contracts, 60% of units were reported to be at the maximum allowable rents in Clark County, 51% in Washoe County and 33% in the remaining counties.^{xvi} These numbers are substantially higher than last years' for both Washoe and Clark County. The rate decreased for rural counties. Seven percent of total statewide units were in properties for which the respondent answered "Not sure."

Table 15. Units reported to be at maximum allowable rent given area median income set asides

	Clark County	Remaining Counties	Washoe County
Units at Max Rent	8,019	445	2,351
Total Units	13,255	1,344	4,575
% Total Units	60%	33%	51%

Rent skipping decreased in 2016

LIHTC properties are designed to serve Nevada's moderate to low income families. The rent in LIHTC qualifying units must be under a maximum allowable rent. Only when LIHTC units are combined with other programs can there be a deep subsidy that ensures that a family will pay no more than 30% of their income for rent. Thus some families living in LIHTC properties can suffer rent burden. One sign rent burden may be high enough to be unsustainable is so called rent skipping, that is, when a family leaves before the end of their lease term or is evicted for non-payment. Rent skipping creates costs for property providers, creating "economic vacancy" which reduces the income stream from a property.



In 2016 Nevada LIHTC properties reported the lowest average skip rate of the period from 2013 to 2016. Overall, there were an average of 0.9 skips per month per hundred units reported in 2016 as compared to 1.2 in 2015. In family properties, the monthly skip rate per hundred was lower than last year (1.3 as compared to 1.5), while for senior properties the skip rate decreased markedly in 2016 to 0.4 as compared to 0.8 in 2015. Skip rates have consistently been reported to be far lower in senior properties as compared to family properties.

Skip rates were again low in every region for senior properties, likely reflecting how Social Security or other retirement pensions help stabilize incomes for this group as well as a lower propensity to move. The skip rate on senior properties in Clark County decreased as compared to 2015 rates, increased in rural counties and stayed the same in Washoe County. Family properties in mining counties reported the highest 2016 rate at 1.7 skips per month per hundred units.

Figure 11. Skip rate trends for LIHTC properties in 2013 to 2016 (skips per hundred units per month)

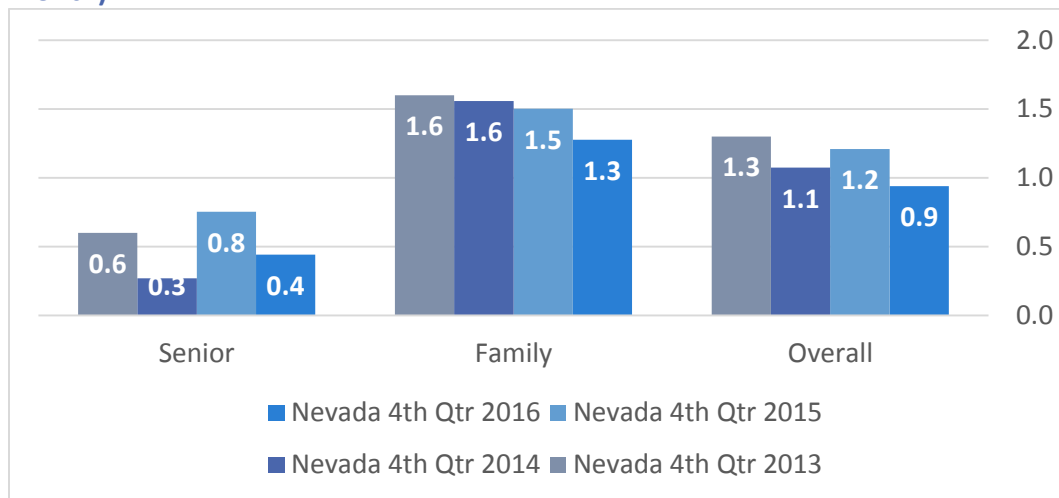
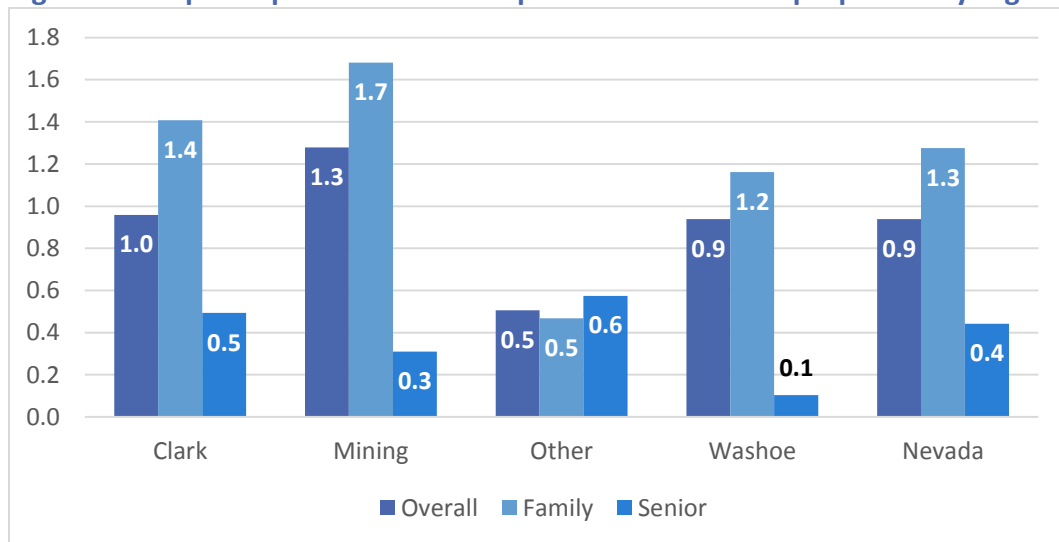


Figure 12. Skip rate per hundred units per month for LIHTC properties by region



Waiting lists are an indicator of unmet needs

Waiting lists are an important indicator of the unmet demand for affordable housing. However, waiting lists require careful interpretation. HUD waiting lists regulations require that anyone be allowed to sign up. Households are not pre-qualified for income levels, background checks, region, age and so forth and many will not, in the final analysis, qualify for the unit. Also, waiting lists can be long, so by the time a household comes up for a unit, their circumstances may have changed. These lists are not unduplicated; households may be on many waiting lists and may already be housed in an affordable unit elsewhere. For these reasons, waiting lists cannot be interpreted simply as the number of households with unmet housing needs. Rather they are an indicator of the demand pressure on certain types of affordable and/or assisted housing.

The converse is also true. That is, the lack of a waiting list does not mean that there is no unmet need for low income housing. There may be households in need of housing who cannot afford LIHTC rents without greater subsidies. The long waiting lists for most housing with rental assistance is one indicator of this need. Statistics on housing problems bear this out as well; for example, according to 2009-2013 CHAS data, 121,000 Nevada households that had incomes under 50% HUD area median income had gross rents that used 50% or more of their household income.^{xvii} Nationally only one out of four families that qualify for a housing choice voucher receive one.^{xviii} In addition, some LIHTC properties without other federal funding avoid having waiting lists because HUD waiting list regulations make it difficult to turn a unit in a timely manner and create significant labor costs. Waiting list data is not comprehensive.

Survey respondents were asked, “Do you currently have a waiting list for any units?” If there was a positive response, survey respondents were asked if the waiting list was for the entire property or for a specific type of unit. If for a specific type of unit, respondents were asked to indicate the number on the waiting list for each floor plan or to describe any additional attributes of units with a waiting list.

Sixty-two percent of LIHTC properties had a waiting list

Sixty-two percent of the responding LIHTC properties had waiting lists. This was a slight increase in percentage as compared to the 2015 response. In addition, this year’s response included more properties, so the number of properties reporting a waiting list increased from 114 to 131. Amongst properties reporting 100% occupancy, 73% reported having a waiting list. Amongst properties reporting at least one unit vacant, 57% reported having a waiting list for some type of unit. When asked to describe the attributes of units with waiting lists the characteristics mentioned include ADA accessibility, ground level units, lowest rent units (those with lower set-asides), in addition to all types of floor plans.

Number of households on waiting lists up 18%

A total of 9,470 households were on waiting lists for tax credit properties. The number was up 18% from last year when 8,047 households were reported on waiting lists. Part of this increase may be attributed to the larger number of responding properties in 2016. Washoe County waiting lists grew by 22% (622) households, Clark County’s grew by 26% and other counties’ grew by 46% while the

mining region waiting lists decreased by 39%. As stated above, the combined lists likely contain many duplicates and households that would not qualify, so the number by itself cannot be read as total number of households in need of affordable units.



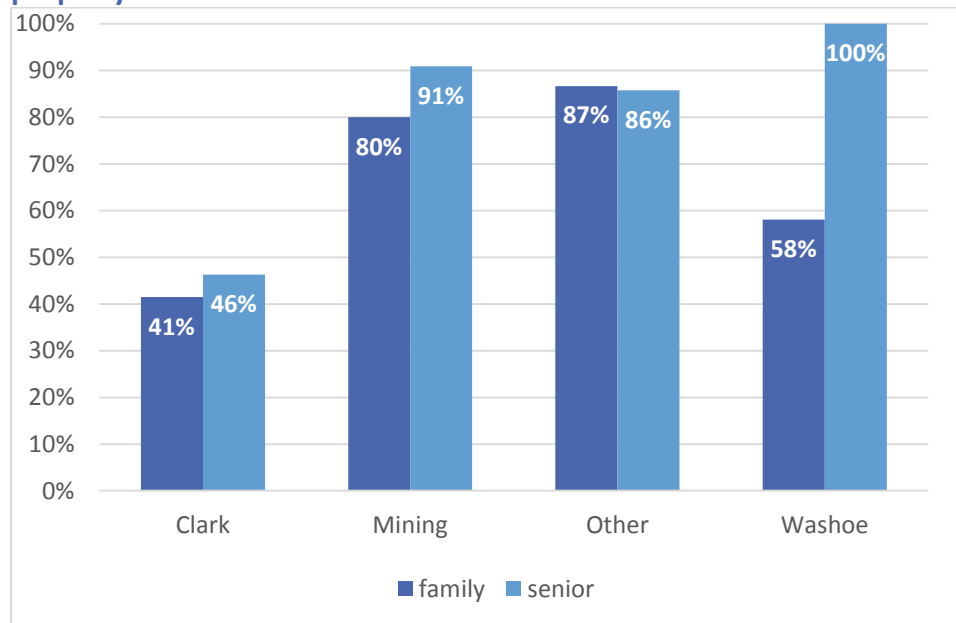
The median length of a waiting list, for those who reported having one, was 33 households, up six from the median of 27 reported in 2015. Attributes that lead to longer waiting lists were rental assistance availability, being a senior property and a recent construction date. The mining region experienced a drop-off in waiting list lengths as compared to 2015. The charts below illustrate these points.

Except in Clark County most senior properties have waiting lists

A somewhat lower proportion of senior or senior/disabled properties in Clark, Mining and Other Counties reported having a waiting list than in 2015. This was both as a result of a larger proportion of properties reporting this year and several properties that no longer reported a waiting list. Washoe County senior properties again reported waiting lists at all LIHTC properties.

A far smaller percentage of properties in Clark County in general reported having any type of waiting list than did properties in the rest of the state. Almost all the properties in mining counties reported having a waiting list although the percentage reporting a waiting list dropped again this year (from 86% to 80% for family properties). These waiting lists may either be for certain desirable units within a property or for any available unit in a property.

Figure 13. Percent of tax credit properties with a waiting list by region and by type of property

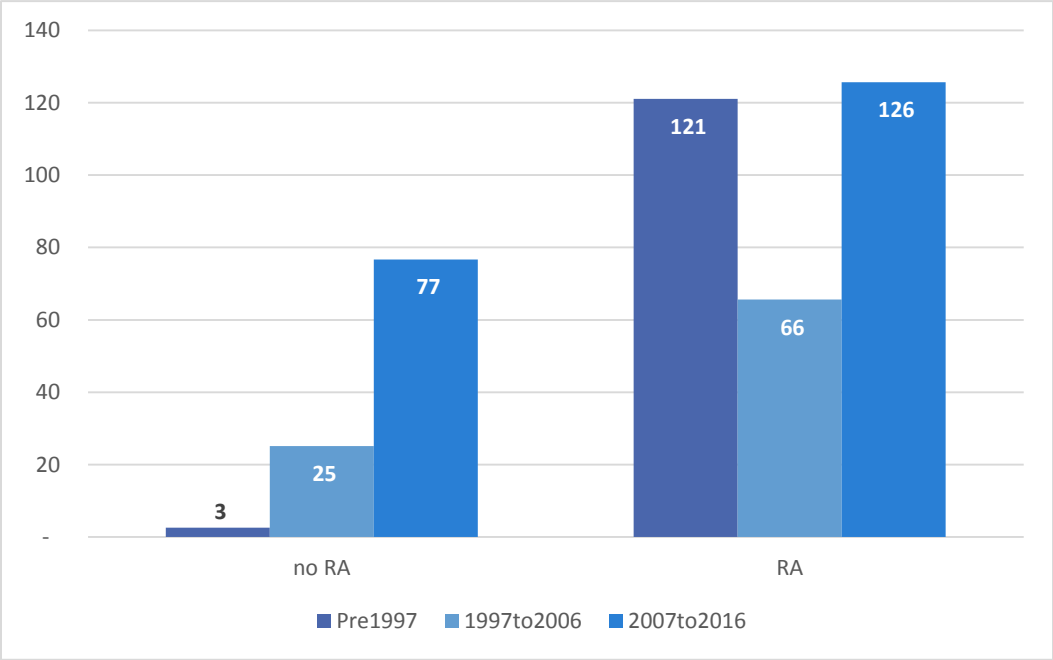


Properties offering rental assistance report longer waiting lists

The shortage of housing seems to be most acute for the lowest income households. Waiting lists reflect a pressure on rental assistance, the deeper subsidies that ensure a household pays no more than 30% of its income in gross rent. For the properties included in the survey sample, about 14%, or 3,007 units had project based rental assistance offering these deeper subsidies. Fifty percent of properties without rental assistance reported having a waiting list versus 91% of the properties with rental assistance. The percent with waiting list decreased for properties with rental assistance over 2015 results which indicated 100% of properties with rental assistance had waiting lists.

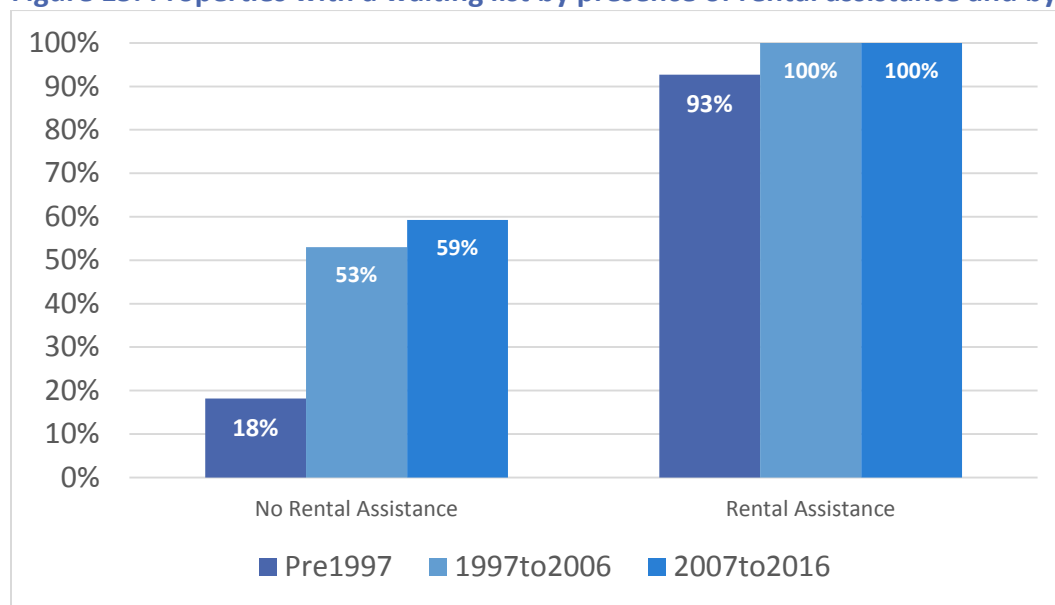
In the chart below, the lengths of the waiting lists are examined. Length of the waiting list is given in number of households on the waiting list for each one hundred units in the property. The average waiting lists for older properties without rental assistance are small, averaging 3 households per 100 units in the property for those built in 1997 or earlier. But the newest properties built since 2007 had a much higher average waiting list of 77 households per 100 units. In contrast, for properties with rental assistance, the pattern with respect to the age of the property was not clear although waiting lists were as high as 126 households per hundred units in the newest properties with project based rental assistance.

Figure 14. Households on waiting list (per hundred units) by presence of rental assistance and by year first built



A similar pattern can be seen for the percentage of properties reporting the existence of a waiting list. Properties without any rental assistance are less likely to have a waiting list than those with rental assistance. Over 94% of properties that had property based rental assistance reported having a waiting list. The newest properties built since 2007 were most likely to have a waiting list as compared with older properties if there was no project based rental assistance available.

Figure 15. Properties with a waiting list by presence of rental assistance and by year first built

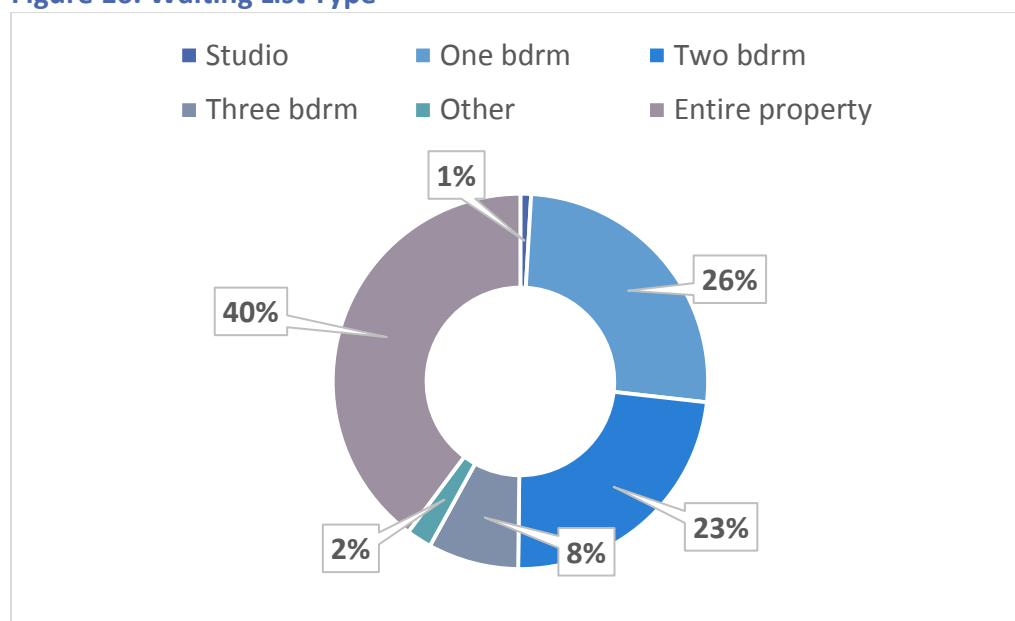


Waiting lists by type of unit

Forty percent of households on waiting lists were on a general waiting list for the entire property, and 60% were on a waiting list for specific types of units. The type of unit with the highest number of households on the waiting list was the one bedroom followed by the two-bedroom unit. Some were on waiting lists for units with rental assistance. In some cases, households were on a waiting list for units with multiple attributes, for example, a two-bedroom ground floor unit or one-bedroom ADA accessible unit. Attributes other than floor plan mentioned as having waiting lists were availability of rental assistance, units with lower income set asides, accessible, first floor, or outside walk-ups.



Figure 16. Waiting List Type



HOME funded units

HOME is a federal block grant that is used to help provide housing to low income households. It is often layered with LIHTC funding in affordable properties. HOME funded units are subject to additional restriction and compliance measures. The time period for affordability restrictions on HOME units generally are shorter than IRS tax credit affordability periods and range from five to twenty years depending on the amount of the subsidy and whether or not the project is new construction.

Property managers were asked to report the number of HOME units in their property. Seventy-five percent (159) of the Nevada LIHTC properties reported having at least one HOME funded unit. Most properties (127) reported having 11 or fewer HOME units. A total of 2,081 active HOME funded units were reported. On average a smaller percentage of total LIHTC units were HOME funded in Washoe Co. than in the rest of the state. The average number of units per property was highest in Clark Co. with an average of 16 per property.

Table 16. HOME Units in Nevada LIHTC Properties

	# of Properties with One or More HOME Units	% of Properties with One or More HOME Units	# of HOME Units Reported	% of Units that are HOME Units	Average HOME Units per Property
Clark	87	81%	1411	10%	16.2
Mining	20	65%	178	16%	8.9
Rural	15	52%	141	10%	9.4
Washoe	37	82%	351	6%	9.5
Nevada Total	159	75%	2081	9%	13.1

Eleven percent of LIHTC units had tenants with tenant based rental assistance (TBRA)

Housing Choice Vouchers, otherwise known as “Section 8” vouchers, may be used to rent low income housing tax credit apartments. The LIHTC program requires acceptance of the vouchers.^{xix} To understand how much tax credit housing helps contribute to the housing of very low income households, and to understand total housing assistance available, it is of interest to understand the “overlap” of tax credit units with housing choice vouchers and other types of tenant based rental assistance (TBRA). Thus a question was again added to this year’s survey about portable rental assistance. This year’s question was different than last year’s in that it did not ask for the type of portable rental assistance tenants use:

Please estimate the number of tenants with portable rental assistance such as Housing Choice Vouchers (i.e. the tenant can move to a different property and still retain the assistance contract). Examples of portable rental assistance include Housing Choice Voucher, VASH, rental assistance provided through Mental Health Services, County Social Services, etc. Do NOT include HOME assisted units or the project based assistance listed above.

There were a total of 1,981 tenants with portable assistance reported. Twenty-six percent of properties had missing data on the voucher question this year. Of those who reported voucher information, 75% reported at least one tenant with portable rental assistance. In 2015, 72% of LIHTC properties reported at least one tenant with a voucher. Most properties not reporting at least one tenant with a voucher had property based rental assistance (PBRA); thus only 9% of properties reporting voucher information had neither PBRA nor use of a voucher by at least one tenant.

The number of vouchers reported (1,981) used in LIHTC properties, if indeed all were Housing Choice Vouchers, accounted for about 13% of total Housing Choice Vouchers administered in 2016 by the three Housing Authorities statewide.^{xx} A much larger proportion of authorized vouchers were reported used by Washoe (26%) and rural regions (19%) as compared to Clark County (9%). This is partly due to missing data in Clark County.

Looking only at properties that reported voucher information, about 9% of Clark County LIHTC units were reported to have a tenant with a voucher. Looking only at properties that reported voucher information, Clark County had a smaller percentage of overlap than did rural counties and Washoe County. In Washoe County about 14% of LIHTC units had a tenant with a voucher. There was a reported overlap of 11% for the state overall.

Table 17. Number of LIHTC tenants with Tenant Based Rental Assistance (TBRA) by region

	Clark	Rural	Washoe	Nevada total
Number of tenants with TBRA	972	284	725	1981
% of total affordable units with TBRA	9%	12%	14%	11%
% of 2016 authorized HCV	9%	20%	30%	13%

Veterans in LIHTC Properties

The 2016 survey included this question on veteran occupants:

Q23 To your knowledge, are any of your units occupied by a household with at least one veteran?

- yes (1)*
- no (3)*
- not sure (2)*

Answer If To your knowledge, are any of your units occupied by a household with at least one veteran?; yes Is Selected

Q24 How many units would you say have at least one veteran occupant?

Table 18. Veterans in LIHTC Housing

Region	Veterans reported	Units with data	Percentage Units with a veteran	Extrapolated Total Veterans**
Clark	662	8979	7.4%	1192
Rural	93	2502	5.5%	152
Washoe	239	2786	8.6%	486
Nevada Total	1038	14267	NA	1830

Property managers reported a total of 1,038 veteran households living in LIHTC units. This compared to 1,463 reported in 2013. However, for 36% of units, property managers weren't sure how many veterans were living in them. Extrapolating the known rate by region to the entire population of LIHTC properties as was done in the 2013 report, 1,830 Nevada veteran households would be housed in LIHTC properties, about 7.4%, slightly more than the estimated 1,723 from 2013.

The Division has recently been active in adding properties and preferences favoring veteran households. Two properties funded through a special set aside in the 2015 Qualified Allocation Plan (QAP) will be serving veterans and are still under construction. Starting in 2014, the Nevada Housing Division instituted an incentive for a veterans' preference for projects competing for tax credit allocations. The preference was strengthened in the 2015 and following QAPs. It is early to see effects from these incentives.

It should be noted that there are fewer veteran households in Nevada as the percentage and number of veterans continues to decrease. Total estimated veterans in Nevada from the five-year American Community Survey was 220,000 for the 2011-2015 period, down from an estimated 230,000 in the 2008-2012 five year estimates.^{xxi} It is possible that the subset of veterans who can benefit from tax credit housing has also decreased but this would need further investigation.

Permanent Supportive Housing in LIHTC Properties

A question about permanent supportive housing was added to this year's survey. Permanent supportive housing is a system that combines permanent housing (as opposed to transitional or

emergency housing) with wrap-around support services such as health care, help with independent living skills and employment services. One prominent example is the VASH voucher which provides rent support through HUD with wrap around services through the VA to homeless veterans. The system is often used to help people experiencing chronic homelessness or people with disabilities. The question asked of property managers is below:

Q26 Do you currently have any tenants with permanent supportive housing arrangements, for example, are you working with agencies such as the VA, Social Services or Adult Mental Health or other agencies that provide case management and other services for tenants?

- Yes (1)
- No (2)
- Not sure (3)

Answer If you can, please estimate how many tenants have permanent supportive housing arrangements. Estimate Is Not Selected

Q27 If you can, please estimate how many tenants have permanent supportive housing arrangements.

- Estimate (2) _____
- I'm not sure how many tenants have permanent supportive housing arrangements. (3)

Table 19. Permanent Supportive Housing Arrangements in LIHTC properties

Region	# of Properties with PSH	Estimated number of PSH units	% of Properties with PSH	# of Properties "Not sure"	% of Properties "Not sure"
Clark	25	113	23%	57	53%
Mining	9	100	29%	8	26%
Other	13	12	45%	7	24%
Washoe	23	185	51%	12	27%
Nevada Total	70	410	33%	82	38%

One third of the LIHTC properties reported having at least one tenant with a permanent supportive housing arrangement. A total of 410 tenants with permanent supportive housing arrangements were reported in 70 different properties. The percentage of properties reporting tenants with PSH arrangements varied by region. In Clark County only 23% of properties reported having tenants with PSH arrangements while in Washoe County 51% reported having at least one tenant with PSH arrangements. Thirty-eight percent of managers were not sure whether they had such a tenant, indicating that the question was not clearly worded or that it wasn't easy for the managers to determine. The percentage of unsure varied by region also with Clark County reporting 53% of managers were not sure as compared to 27% in Washoe County. Several special use properties that provide housing for homeless individuals were not included in the survey, thus the 410 PSH units recorded in the survey are a minimum number which does not include all LIHTC units that may be involved in permanent supportive housing arrangements.

Discussion and Conclusion

One of the goals stated in the 2015 Qualified Allocation Plan is to increase the availability of housing with supportive services, including for veterans. Accordingly, this year's survey asked property managers to report special information about any households that contain a veteran and whether or not the property provides any permanent supportive housing. In the case of the number of veteran households in Nevada tax credit properties we had asked a similar question in 2013 which gave a baseline to compare against. The 2016 survey results suggest that the proportion of veteran households housed in tax credit properties has stayed about the same at a little more than 7%. For supportive services arrangements the initial baseline finding is that about a third of LIHTC properties have at least one tenant with a supportive service arrangement for a total of at least 410 tenants.

Special concern for low income housing has arisen in northern Nevada as Tesla and other businesses move into the area. This year's survey finds that vacancy rates in northern Nevada have continued to fall somewhat as compared to 2015 rates. Last year we witnessed a trend in LIHTC rent increases that sometimes matched increases seen in private market rents. This year there is a wider spread between private market increases in rent and LIHTC rents as a greater percentage of properties are closer to rent maximums. A similar trend in rents was seen in Clark County properties.

NHD would like to thank the management companies and their employees for their outstanding participation in this year's survey. Their efforts to house Nevada's most vulnerable populations amidst difficult economic conditions and demanding regulatory requirements warrant acknowledgement.

This report can be found on Nevada Housing Division website at www.housing.nv.gov. The Division encourages ideas or suggestions for future reports to be emailed to NHDinfo@housing.nv.gov or sent to Nevada Housing Division, attention Perry Faigin, pfaigin@housing.nv.gov, Carson City, NV 89706.

Publication authors:

Perry Faigin
Chief of Administration
Nevada Housing Division

Elizabeth Fadali
Economist
Nevada Housing Division



Appendix A Survey Questionnaire

Below is the 2016 Affordable vacancy and rent survey pilot. (Qualtrics on-line survey). Because the survey was taken online on computer screens there is no way to present the survey completely on paper. The following version includes logic and code values.

2016 Affordable vacancy and rent survey draft (pilot version)

Q1 Thank you for your help with the Nevada Housing Division's 2016 rent and vacancy survey. Your participation will allow us to publish timely data on rents and vacancies and help us understand more about our state's affordable housing stock. Your responses will be presented in combination with others and will remain confidential. Please contact Perry Faigin at 775-687-2032 with any questions. We very much appreciate your help.

Q2 Some technical information that may be helpful: * You may use the back button in the survey form to return to the previous page. However, it is not recommended to use your browser back arrow. This may cause the survey to close and you will need to start over. * You may enter up to three properties. If you have more properties to enter please use the link sent in your e-mail again to open a new survey form.

Q3 How many properties would you like to enter information for now (you may enter up to three)?

Q4 Name of Property:

Q5 Address of Property

Address (5)

Address 2 (6)

City (7)

Zip Code (9)

Q6 Number of units

_____ Market units (1)

_____ Affordable units (2)

_____ Other units - please describe (e.g. manager units, caretaker units, etc.) (3)

Q7 Please estimate the number of tenants with the following types of portable rental assistance (i.e. the tenant can move to a different property and still retain the assistance contract and/or rental assistance is not permanently tied to this property):

	Number of tenants (2)
Housing Choice Voucher (1)	
VASH (4)	
Rental assistance through State or local govt. agencies, for example, Mental Health Services, etc. (3)	
HOME tenant based rental assistance (5)	
Other (7)	

Q8 Does your property offer project based sliding scale rental assistance?

- yes (1)
- No (2)

Answer If Does your property offer rental assistance (based on reducing rent and utility to 30% of tenant i... yes Is Selected

Q9 How many units have project based sliding scale rental assistance?

Answer If Does your property offer rental assistance (based on reducing rent and utility to 30% of tenant i... yes Is Selected

Q10 Which programs provide the rental assistance (check all that apply)?

- HUD based (Section 8, Section 811, etc.) (1)
- USDA Rural Development (2)
- Other (please describe below) (4) _____

Q11 Please fill out the total number of units of each type for your property:

	Number of units (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (please describe) (7)	

Q12 Please fill out the number of vacant units for each type.

	Number of units (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q13 Please fill out the lowest rent you will charge on turnover for each type of unit

	Lowest rent you will charge on turnover (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q14 Please fill out highest rent you will charge on turnover for each type of unit

	Highest rent you will charge on turnover (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q15 Are all rents at the maximum level allowable given this properties' AMI (Area Median Income) set asides?

- Yes (4)
- No (5)
- Some units are at maximum rent (please estimate how many) (6) _____
- Other (please explain) (7) _____
- Not sure (8)

Q16 What was the property's average occupancy rate for the past 12 months?

Q17 On average, how many households per month skip or are required to move out due to inability to pay their rent?

Q18 Do you currently have a waiting list?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To To your knowledge, are any of your un...

Answer If Do you currently have a waiting list? Yes Is Selected

Q19 Is the waiting list for a specific type of unit?

- Yes (1)
- No, the waiting list is for the entire property (2)
- Other (3) _____

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Selected

Q20 How many households are on the waiting list?

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q21 Please indicate how many households are on the waiting list for each type of unit.

	number of households on waiting list (1)
Studio (2)	
One bedroom (3)	
Two bedrooms (4)	
Three bedrooms (5)	
Other (7)	

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q22 Please describe other attributes for any units with a waiting list, for example, unit with washer/dryer, on ground floor, accessible unit, etc:

Q23 To your knowledge, are any of your units occupied by a household with at least one veteran?

- yes (1)
- no (3)
- not sure (2)

Answer If To your knowledge, are any of your units occupied by a household with at least one veteran? yes Is Selected

Q24 How many units would you say have at least one veteran occupant?

Q25 Do you currently have any tenants with permanent supportive housing arrangements, for example, are you working with agencies such as Social Services or Adult Mental Health or other agencies that provide case management and other services for tenants?

- Yes (1)
- No (2)
- Not sure (3)

Answer If Do you currently have any tenants with permanent supportive housing arrangements, for example, are you working with agencies such as Social Services or Adult Mental Health or other agencies that pr... Yes Is Selected

Q26 How many tenants would you say have permanent supportive housing arrangements?

Q27 You have reached the end of the survey. Thank you! Do you have any comments on this property or the survey?

Final 2016 Affordable vacancy and rent survey

Q1 Thank you for your help with the Nevada Housing Division's 2016 rent and vacancy survey. Your participation will allow us to publish timely data on rents and vacancies and help us understand more about our state's affordable housing stock. Your responses will be presented in combination with others and will remain confidential. Please contact Perry Faigin at 775-687-2032 with any questions. We very much appreciate your help.

Q2 Some technical information that may be helpful: * You may use the back button in the survey form to return to the previous page. However, it is not recommended to use your browser back arrow. This may cause the survey to close and you will need to start over. * You may enter up to three properties. If you have more properties to enter please use the link sent in your e-mail again to open a new survey form.

Q3 How many properties would you like to enter information for now (you may enter up to three)?

Q4 Name of Property:

Q5 Address of Property

Address (5)

Address 2 (6)

City (7)

Zip Code (9)

Q6 Number of units

_____ Market units (1)

_____ Affordable units (2)

_____ Other units - please describe (e.g. manager units, caretaker units, etc.) (3)

Q7 How many total HOME assisted units are there on this property (include both fixed and floating units in your total)?

Q8 Does your property offer project based sliding scale rental assistance (do NOT include HOME units)?

yes (1)

No (2)

Answer If Does your property offer rental assistance (based on reducing rent and utility to 30% of tenant i... yes
Is Selected

Q9 How many units have project based sliding scale rental assistance?

Answer If Does your property offer rental assistance (based on reducing rent and utility to 30% of tenant i... yes Is Selected

Q10 Which programs provide the rental assistance (check all that apply)?

- HUD based (Section 8, Section 811, etc.) (1)
- USDA Rural Development (2)
- Other (please describe below) (4) _____

Q11 Please estimate the number of tenants with portable rental assistance such as Housing Choice Vouchers (i.e. the tenant can move to a different property and still retain the assistance contract). Examples of portable rental assistance include Housing Choice Voucher, VASH, rental assistance provided through Mental Health Services, County Social Services, etc. Do NOT include HOME assisted units or the project based assistance listed above.

Q12 Please fill out the total number of units of each type for your property:

	Number of units (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (please describe) (7)	

Q13 Please fill out the number of vacant units for each type.

	Number of units (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q14 Please fill out the lowest rent you will charge on turnover for each type of unit

	Lowest rent you will charge on turnover (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q15 Please fill out highest rent you will charge on turnover for each type of unit

	Highest rent you will charge on turnover (1)
Studio (1)	
One bedroom (2)	
Two bedrooms (3)	
Three bedrooms (6)	
Other (7)	

Q16 Are all rents at the maximum level allowable given this properties' AMI (Area Median Income) set asides?

- Yes (4)
- No (5)
- Some units are at maximum rent (please estimate how many) (6) _____
- Other (please explain) (7) _____
- Not sure (8)

Q17 What was the property's average occupancy rate for the past 12 months?

Q18 On average, how many households per month skip or are required to move out due to inability to pay their rent?

Q19 Do you currently have a waiting list?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To To your knowledge, are any of your un...

Answer If Do you currently have a waiting list? Yes Is Selected

Q20 Is the waiting list for a specific type of unit?

- Yes (1)
- No, the waiting list is for the entire property (2)
- Other (3) _____

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Selected

Q21 How many households are on the waiting list?

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q22 Please indicate how many households are on the waiting list for each type of unit.

	number of households on waiting list (1)
Studio (2)	
One bedroom (3)	
Two bedrooms (4)	
Three bedrooms (5)	
Other (7)	

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q23 Please describe other attributes for any units with a waiting list, for example, unit with washer/dryer, on ground floor, accessible unit, etc:

Q24 To your knowledge, are any of your units occupied by a household with at least one veteran?

- yes (1)
- no (3)
- not sure (2)

Answer If To your knowledge, are any of your units occupied by a household with at least one veteran? yes Is Selected

Q25 How many units would you say have at least one veteran occupant?

Q26 Do you currently have any tenants with permanent supportive housing arrangements, for example, are you working with agencies such as the VA, Social Services or Adult Mental Health or other agencies that provide case management and other services for tenants?

- Yes (1)
- No (2)
- Not sure (3)

Answer If If you can, please estimate how many tenants have permanent supportive housing arrangements. Estimate Is Not Selected

Q27 If you can, please estimate how many tenants have permanent supportive housing arrangements.

- Estimate (2) _____
- I'm not sure how many tenants have permanent supportive housing arrangements. (3)

Q28 You have reached the end of the survey. Thank you! Do you have any comments?

2016 Affordable vacancy and rent survey experimental version with NVHousingsearch.org listings

Q1 Name of Property:

Q2 Total units in property

Q3 How many total HOME assisted units are there in this property (include both fixed and floating units in your total)?

Q4 Please estimate the number of tenants with portable rental assistance (i.e. the tenant can move to a different property and still retain the assistance contract and/or rental assistance is not permanently tied to this property). Examples of portable rental assistance include Housing Choice Voucher, VASH, rental assistance provided through Mental Health Services, County Social Services, etc. Do NOT include HOME assisted units listed above.

Q5 Are all rents at the maximum level allowable given this properties' AMI set asides?

- Yes (4)
- No (5)
- Some units are at maximum rent (please estimate how many) (6) _____
- Other (please explain) (7) _____
- Not sure (8)

Q6 What was the property's average occupancy rate for the past 12 months?

Q7 On average, how many households per month skip or are required to move out due to inability to pay their rent?

Q8 Do you currently have a waiting list?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To To your knowledge, are any of your un...

Answer If Do you currently have a waiting list? Yes Is Selected

Q9 Is the waiting list for a specific type of unit?

- Yes (1)
- No, the waiting list is for the entire property (2)
- Other (3) _____

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Selected

Q10 How many households are on the waiting list?

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q11 Please indicate how many households are on the waiting list for each type of unit.

	number of households on waiting list (1)
Studio (2)	
One bedroom (3)	
Two bedrooms (4)	
Three bedrooms (5)	
Other (7)	

Answer If Is the waiting list for specific type of unit? No, the waiting list is for the entire property Is Not Selected

Q12 Please describe other attributes for any units with a waiting list, for example, unit with washer/dryer, on ground floor, accessible unit, etc:

Q13 To your knowledge, are any of your units occupied by a household with at least one veteran?

- yes (1)
- no (3)
- not sure (2)

Answer If To your knowledge, are any of your units occupied by a household with at least one veteran? yes Is Selected

Q14 How many units would you say have at least one veteran occupant?

Q15 Do you currently have any tenants with permanent supportive housing arrangements, for example, are you working with agencies such as the VA, Social Services or Adult Mental Health or other agencies that provide case management and other services for tenants?

- Yes (1)
- No (2)
- Not sure (3)

Answer If Do you currently have any tenants with permanent supportive housing arrangements, for example, ar... No Is Not Selected

Q16 If you can, please estimate how many tenants have permanent supportive housing arrangements.

- Estimate (2) _____
- I'm not sure how many tenants have permanent supportive housing arrangements. (3)

Source Notes

ⁱ The totals include units and dollars available through the American Reinvestment and Recovery Act Tax Credit Assistance Program and Section 1602 properties.

ⁱⁱ Section 42 regulations can be found at: <https://www.irs.gov/pub/irs-drop/rr-04-82.pdf>

ⁱⁱⁱ Census Bureau, American Community Survey 1-year estimates for 2015, Table DP04, Selected Housing Characteristics <https://factfinder.census.gov/>, accessed 1/16/2017. For Nevada Tax Credit Housing by County, an in-house Nevada Housing Division report gives total housing units in tax credit properties as of October 5, 2016 as 24,613.

^{iv} From NHD in-house draft document “Low Income Housing Tax Credits: Nevada’s Largest Rental Housing Production Program” which is available on request.

^v http://www.nytimes.com/2012/12/21/opinion/a-tax-credit-worth-preserving.html?_r=1

^{vi} Some special use properties were excluded. In 2015 the special use properties were surveyed but the data was not used in the report. In 2016 the special use properties were not surveyed.

^{vii} Seven of the questionnaires were not used for these calculations because of special circumstances (e.g. rent-up not completed for new property, special use properties) or because of missing or incomplete data. In addition the way phases were grouped together differed in the response set and in our original list sent out to properties.

^{viii} Nevada Department of Employment and Wages. Quarterly Census of Employment and Wages Average Mining Employment 3rd quarter 2015 to 2nd quarter 2016. <http://www.nevadaworkforce.com/> accessed 12-19-2016.

^{ix} Mining counties were determined in 2014 using a cut-off of 10% or more QCEW place of work employment in the mining sector and included Elko, Nye, Humboldt, White Pine, Pershing, Lander and Eureka County. Mineral and Esmeralda counties have high mining employment but have no tax credit properties. This 2014 definition was kept for 2015 and 2016 for continuity.

^x ALN Apartment Data for month of October 2013, November 2014, October 2015-2016. ALN Apartment Data for month of October 2013 – 2016 for Reno from email communication with ALN staff. Johnson and Perkins 4th Quarter 2013-2015 reports and 4th Quarter 2016 draft report received by email from Johnson and Perkins staff.

^{xi} Nevada Department of Employment, Training, and Rehabilitation. http://nevadaworkforce.com/Portals/139/EIB/2016/Current_EIB.pdf accessed 11-30-2016

^{xii} Johnson and Perkins report rents for two bedroom 1 bath and two bedroom 2 bath apartments. Using data provided by Johnson and Perkins on the numbers of each type of unit, a weighted average was calculated for average two bedroom rent.

^{xiii} Stagg, Thomas. 2009. “Understanding the New Income Limits.” Novogradac Property Compliance Report. Vol. XII, Issue 5.

^{xiv} U. S. Housing and Urban Development. Multifamily Tax Subsidy Projects Rent and Income Limits. <https://www.huduser.gov/portal/datasets/mtsp.html> accessed 12-6-2016.

^{xv} For a more definitive conclusion Utility Allowance data could be examined. Data was from Energy Information Administration. Average retail price of electricity: Nevada. Nevada Price of Natural Gas Delivered to Residential Consumers (Dollars per Thousand Cubic Feet) and Average Monthly Bill - Residential. <https://www.eia.gov/naturalgas/> and <https://www.eia.gov/electricity/> accessed 12-6-2016

^{xvi} Seven percent of units were in properties for which respondents checked “not sure”.

^{xvii} CHAS special tabulations of 5 year estimates from 2009 to 2013 American Community Survey data https://www.huduser.gov/portal/datasets/cp/CHAS/data_querytool_chas.html accessed 9-27-2016.

^{xviii} <http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance> accessed 12-9-2016.

^{xix} A voucher holder cannot be turned away merely because of their status as such. National Housing Law Project. <https://nhlp.org/lihtcoverview> accessed 3-7-2016.

^{xx} U.S. Department of Housing and Urban Development. Housing Choice Voucher Program Support Division. VMS Data and Reports 2016. https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/psd accessed 1-16-2017

^{xxi} Census Bureau, American Community Survey 5-year estimates, Table S2101, Veteran Status <https://factfinder.census.gov/>, accessed 12/13/2016.