



PUBLIC TESTIMONY

April 13, 2023

Chair Shea Backus, Assembly Revenue Committee
Assembly Revenue Committee Members

Good afternoon, Chair Backus, and Committee Members,

For the record, my name is Christine Hess, and I am the Executive Director for the Nevada Housing Coalition. The Nevada Housing Coalition is a statewide nonprofit to promote and advance housing. Our organization includes 300 members across the state, from the urban and rural communities, public and private sectors, developers, builders, finance, community service providers and advocates.

Thank you for your leadership, Speaker Yeager and Majority Leader Jauregui. I am here to express the Coalition's strong support for AB448. The Real Property Transfer Tax plays a critical role in making good projects happen – affordable housing that the market cannot, and does not, build. There are multiple recipients of the distribution and one of those is low income housing with \$0.10 per \$500 value, or fraction thereof, to be distributed into the Account for Affordable Housing.

As many of you have heard before, to build affordable housing requires financing expertise and a capital stack that is a lot like lasagna, many layers of different funding sources coming together. Most of these funding sources come from, or through, the federal government in the form of grants, loans or tax credits, and, as such, have very strict compliance components. With the costs of labor and land showing no signs of slowing here in Nevada, on top of supply chain issues and inflationary pressures, nearly all affordable housing projects are in need of a flexible funding source to close the gap and bring quality affordable housing projects to completion – our Account for Affordable Housing, or State Affordable Housing Trust Fund, which relies on the Real Property Transfer Tax.

Annual RPTT collected and utilized for affordable housing varies but the past 5 years it has ranged from roughly \$6 to \$10 million. Every year these funds are exhausted as the Housing Division funds the gap for affordable housing projects to close. Based on the reporting by the Las Vegas Review Journal this past summer and the amount of RPTT that was not collected from the large gaming deals, it is estimated that there could have been an additional \$23 to \$25 million for affordable housing in our state. Every \$3M leverages about \$60M which means that we could have left more than \$400 million on the table. How many affordable homes did not get built?

This is not a new tax or fee. We are simply collecting what we should have been. We have an affordable housing crisis and AB448 will make a difference for our Nevadans in need. AB448 is one of Nevada Housing Coalition's top priorities this Session and we strongly support this bill. Thank you, Chair Backus and Committee Members, for your time and consideration.

Sincerely,

Christine Hess, Executive Director