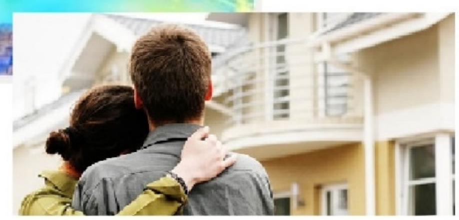
Taking Stock 2015



Nevada Housing Division
2015 Annual Affordable Apartment Survey
www.housing.nv.gov

NEVADA
HOUSING DIVISION

From the Administrator

2015 was a watershed year for the Nevada Housing Division. We were first honored to have achieved the distinction of serving Nevadans for Forty years. We also celebrated our new Homeownership programs first anniversary. We are continually focused on refining, expanding and developing affordable housing solutions for our citizens and communities.

It is with this focus, I am proud to present to you the Nevada Housing Division's 2015 Taking Stock publication. This annual affordable housing survey provides the Division with the data and information which allows us to direct the various resources and funding that we receive to the most needed areas of housing in the state and where it can have the greatest impact. With the planned economic expansion forecast for the state in both the north and south, the continuing growth of the 55 years old and older population, and the need for workforce housing opportunities, the Division has prioritized the development choices based on those needs along with the greater call for affordable Veterans housing choices. As the statewide supply of affordable housing supply tightens, it is imperative these choices prove to be the correct ones.

Over time, we have determined the best method of providing this housing is to develop strong binds between the public, private sector and social service agencies. This collaboration model allows for a great deal of flexibility, attending best to the residents needs and truly becomes a sum greater than its parts. Innovative strategies such as the acquisition of BLM land, the use of gap financing and an evolving system of oversight combined with input from our partners have allowed us to proceed in these challenging times. As we move into our next Forty years we will continue to be devoted to providing the best in affordable housing opportunities and look forward to improving the quality of life for Nevadans.

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 homes, 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 11,823 multi-family housing units in the State of Nevada with a total of over $115 million in housing tax credits allocated.[i]
- The following objectives are identified in the 2015 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 23,000 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. The funds often used in partnership with local nonprofit groups, fund 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 nearly 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 43,000 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.
- ESG funds have provided shelter for more than 40,000 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 burden for low-income families, including the elderly and disabled.
- The program has increased energy efficiency for nearly 27,000 units of low income housing since 1977.

NVHousingSearch.org

- A call center supports the online rental housing locator.
- This locator service is a free resource helping Nevadans find rental homes which fit their needs and budgets.
- More than 36,000 units are listed and the site has logged thousands of searches every month.

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 Home is Possible for Heroes program offers low interest rates to honorably discharged veterans, active duty, surviving spouses and National Guard.
- Since the inception of the program at the end of 2015, the Home is Possible program has originated over 5000 loans and has generated close to $1 billion in mortgages.
- 96% 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*	11,823
Bond Only	4,983
Bond with 4% tax credit	18,355
Total LIHTC/Bond	**35,161**

*Includes American Reinvestment and Recovery Act Tax Credit Assistance Program and Section 1602 properties.

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

Nevada's LIHTC Housing Stock
2015 New Construction and Preservation

Ensemble Apartments is an affordable apartment community serving Nevada's senior population. The property was developed by Ovation Development Corp and Accessible Space, Inc. and is managed by Ovation Property Management. Located in Las Vegas, Ensemble Senior consists of 182 one and two bedroom apartment homes. Community amenities include an onsite fitness center, billiards, picnic areas, salon and swimming pool.

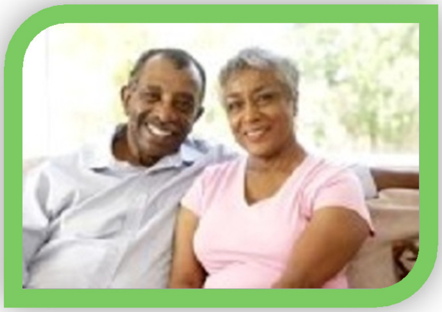
Landsman Gardens, originally built in 1971 underwent a $23.5 million renovation. Located in Henderson, developed by the Southern Nevada Regional Housing Authority, and managed by Cornerstone Management, this complex of 100 units provides affordable family housing. Landsman Gardens is the first FHA-Financed project in the nation to close under the Rental Assistance Demonstration program (RAD), an innovative new HUD initiative that allows housing authorities to convert public housing into subsidized housing with project-based rental assistance in order to finance the rehabilitation and preservation of affordable housing.

Westcliff Heights is an affordable apartment community serving Nevada's independent senior population in the Summerlin area of Las Vegas. The property is managed by Nevada Hand and consists of 80 one and two bedroom apartment homes. Residents enjoy access to amenities and services including a fitness center, computer lab, clubhouse, library, pool and spa and a smoke –free environment.

Bonnie Lane, located in Las Vegas, is an affordable senior housing community that was developed by Accessible Space, Inc. and is managed by Cornerstone Management. The property consists of 66 total apartment homes, 50 one bedroom units and 16 two bedroom units which are entirely smoke-free. The complex features therapeutic spa and exercise rooms, a library, computer room, full size shuffleboard court and pathways to the Bob Price Recreation Center and The Cora Coleman Senior Center.

Highland Terrace, located in Ely, is a 60 unit family community that was originally built in 1990. Managed by Weststates Property management, the property was refurbished with a $7.3 million dollar upgrade. The units are 1, 2, & 3 bedroom units and community amenities include a picnic area, playground and community laundry room.

Winchester Court Apartments in Elko, is an affordable family community developed by Community Development Inc. and managed by Somerset Pacific. Consisting of a total of forty 2 and 3 bedroom units, the amenities include a computer room, fitness center, community garden, and barbecue and picnic areas. This development is also the first LEED (Leadership in Energy and Design) certified multi-family project in Elko. LEED elements include energy efficient appliances, extra insulation, xeriscaping and solar panels.



Juniper Village is a family apartment community featuring twenty one bedroom units and twenty one two bedroom units for a total of 41 affordable apartment homes located just east of downtown Reno. Managed by Northern Nevada Community Housing, the amenities include free Wi-Fi, community room with a library, gym, and computer station, a tot-lot playground, barbeque and horseshoe pits. A 116 panel solar array was installed on the roof as part of the project which will offset total electric consumption by 15 percent.

Westcliff Pines 2 in Las Vegas is an 80 unit apartment community built for seniors, Westcliff Pines 3 is a 40 unit apartment community built for seniors and both are an expansion of the existing Westcliff Pines Senior Apartments. Located in the Summerlin area of Las Vegas, the property, managed by Nevada Hand includes a fitness center, computer lab, community clubhouse, library and pool.

Acapella Duet is an 80 apartment addition to the existing Acapella senior complex which was developed by Ovation Development Corp in Las Vegas in 2012. The property, managed by Ovation Property Management, includes 1 and 2 bedroom units with amenities within the community including a fitness center, pool table and lounge, and a computer center.

Centennial Park Arms in North Las Vegas, an affordable townhouse community, underwent a transformation this year. This 155 unit development, originally built in the early 1970's, had many updates completed. Changes included new high efficiency HVAC units, landscaping, playground, roof repairs and carports. In addition, the office was enlarged and eight new ADA accessible homes were added. It is worthwhile to note that all remodeling and updates were completed with no displacement of tenants.

Dr. Paul Meacham Apartments is a 57 unit senior building in Las Vegas and is a sister property to the Dr. Luther Mack Senior Apartments which opened last year. The property was developed by Community Development Program Center of Nevada (CDPCN) and is managed by Global Properties. Amenities include all ADA compliant apartments, clubhouse, fitness center and solar energy efficiencies.

Executive Summary

This report provides an analysis of data collected through the Nevada Housing Division's (NHD) 2015 Affordable Apartment Survey. The survey focused on Low Income Tax Credit Housing (LIHTC) properties. Some notable findings are as follows:

- Average vacancy rates decreased an additional percentage point in 2015 to 4%. ***The overall vacancy rate for LIHTC properties has decreased three percentage points over the last two years.*** This trend adds Nevada based evidence of the gap in supply of low income housing that has been noted at the national level.[ii]
- The gap between Las Vegas (4.3%) and Reno vacancy rates (3.5%) narrowed in 2015.
- ***Mining county average vacancies were up.***
- The vacancy rate gap between senior/disabled properties and family properties narrowed this year for some floor plans but ***overall average rates remained 2.5 points lower for senior (2.6%) than for family properties (5.1%).***
- ***Median vacancy rate reported was 2.5%.***
- ***Twenty-nine percent of properties reported that all units were full (0% vacancy rate).***
- ***In every region, one-bedroom units had the lowest vacancy rates at an average of 2.6%.***
- ***LIHTC rents are lower than market rents with the exception of studio units.*** Rents for one, two and three bedroom units were from 15% to 24% lower than market rate in urban counties. Rents for studio apartments were less than market rents in urban counties.
- ***Rents in LIHTC properties have increased 10-11% since 2013.*** This increase indicates that LIHTC properties were not previously charging maximum rent and is another indicator of rising demand for the affordable units.
- ***73% of LIHTC properties reported having a waiting list.*** Waiting lists were longest for LIHTC units with rental assistance, senior properties and recently constructed properties.
- ***Median waitlist length has increased from 16 households in 2014 to 27 in 2015.***
- 100% of properties with rental assistance reported having a waiting list.
- About 11% of LIHTC units had tenants with tenant based rental assistance such as the Housing Choice Voucher.
- ***A total of 1,363 units with special accessibility features were reported in the LIHTC properties for an average of 6.5% of total units.***
- 96% of properties built since 2011 report having at least one unit with special accessibility characteristics
- Overall, 63% of accessible units were occupied by a household with an individual who needed the special features.

Introduction

The Division carried out a survey of the Low Income Housing Tax Credit (LIHTC) properties in the fall of 2015 from late October to early December. The survey is useful in helping the Division and other stakeholders 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 of providing affordable housing opportunities to individuals and families throughout Nevada.

The LIHTC program is a federal tax incentive program administered by the Internal Revenue Service through regulations published under Section 42 of the Internal Revenue Code.[iii] The role the program's public private partnership plays in affordable housing should not be underestimated. In 2015, tax credit units currently active or under construction made-up about 9% of the estimated 267,000 multi-family units in Nevada. The LIHTC program is by far the largest in Nevada, and nation-wide, for provision of property based subsidies to rental housing. Seventy-five percent of subsidized 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 2015 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 primarily LIHTC properties was carried out in the fall of 2015. 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 October produced data that was similar enough to the final version that both datasets could be used together. The questionnaire was substantially different from last year's in that last year information on rent and vacancy was collected by type of set aside as well as number of bedrooms whereas this year's survey collected information by number of bedrooms only. Other questions were changed as well; for example, the questions about senior properties and waitlists were extended so as to increase understanding of these topics. A section on accessible units was added. The questionnaires cannot be exactly reproduced on paper but Appendix A contains print versions of the pilot and final survey instrument with logic notes.

The properties surveyed constitute the active properties listed on the auditing rolls of NHD as of October 2015.[vi] These properties represented 24,387 units. The return rate was 89% with 208 of the properties responding. These properties represent 92% of the units surveyed (see Table 2). Las Vegas and surrounding communities had 108 responses, the Reno-Sparks region had 46 responses and 54 responses were from the remaining 15 Nevada counties. Response rates were highest in Washoe County and lowest in Clark County. However, 65% 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. About 7% of the units were reported to have special accessibility characteristics. 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 2. Survey Respondents and Response Rate by Region

Region	Properties Responding	Property Response Rate	Units Represented	% Units Represented
Clark Co.	108	87.8%	14,486	89.7%
Washoe Co.	46	92.0%	5,443	96.1%
Rural Nevada	54	88.5%	2,377	92.3%
Total	**208**	**88.9%**	**22,306**	**91.5%**

Vacancies

Nevada LIHTC vacancy rates decrease again in 2015 to 4.1%

The final sample included 190 properties' information on vacancies.[vii] Sixty-four percent of the units were in Clark County, 25% in Washoe County, 3% in rural mining counties (Elko, Eureka, Humboldt, Lander, Nye, Pershing and White Pine) and 8% in the remaining rural counties (these are Douglas, Lyon, Churchill, and Carson City; the counties of Esmeralda, Mineral, Storey and Lincoln do not yet have tax credit properties). The properties distribution by region is similar to the distribution of total inventory units. Four percent of units reported were studio units, 33% were one bedroom units, 44% were two bedroom, 17% three bedroom and 2% were four 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 2015 for the Nevada LIHTC responding properties was 4.1%, down nearly one percentage point from last year in the 4^{th} quarter when Taking Stock 2014 measured vacancies at 5.0%. This is the second year in a row that vacancies decreased for Nevada tax credit properties. Nationwide, LIHTC properties are also reporting a tighter market as production of the units decreased at the same time households in the relevant income categories increased.[viii] The median vacancy rate reported was 2.5%, meaning that half of all responding properties had a 2.5% vacancy rate or lower. Fifty-six properties, or 29%, of the responding properties, reported that all units were full, that is, 0% vacancy rate. The highest vacancy rate reported was 32%.

LIHTC vacancy rates remain lowest in Washoe County

Although the gap noted in the 2014 survey is closing, 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 4.3% overall vacancy rate as compared to 5.5% in the 4th quarter of 2014. Washoe County reported an overall vacancy rate of 3.5% in 4th quarter 2015 as compared to 3.8% in 4th quarter 2014. Mining counties experienced an increase in vacancy rates on average, while other rural counties experienced a decrease. Elko County had a new LIHTC property open up in 2015 while mining employment was down.[ix] 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 were once again lowest overall for one bedroom units and highest for three bedroom units.

Table 3. 4th Quarter 2015 vacancy rate for LIHTC properties by region

Number of Bedrooms	Clark	Mining Counties[x]	Other Counties	Washoe	Nevada
Studio (0 bdrm)	3.9%	NA	NA	2.2%	2.7%
One bedroom	2.7%	3.9%	2.0%	2.3%	2.6%
Two bedroom	4.7%	4.7%	4.3%	3.5%	4.4%
Three bedroom	6.5%	5.8%	7.3%	5.6%	6.3%
Overall average	**4.3%**	**4.8%**	**4.2%**	**3.5%**	**4.1%**

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

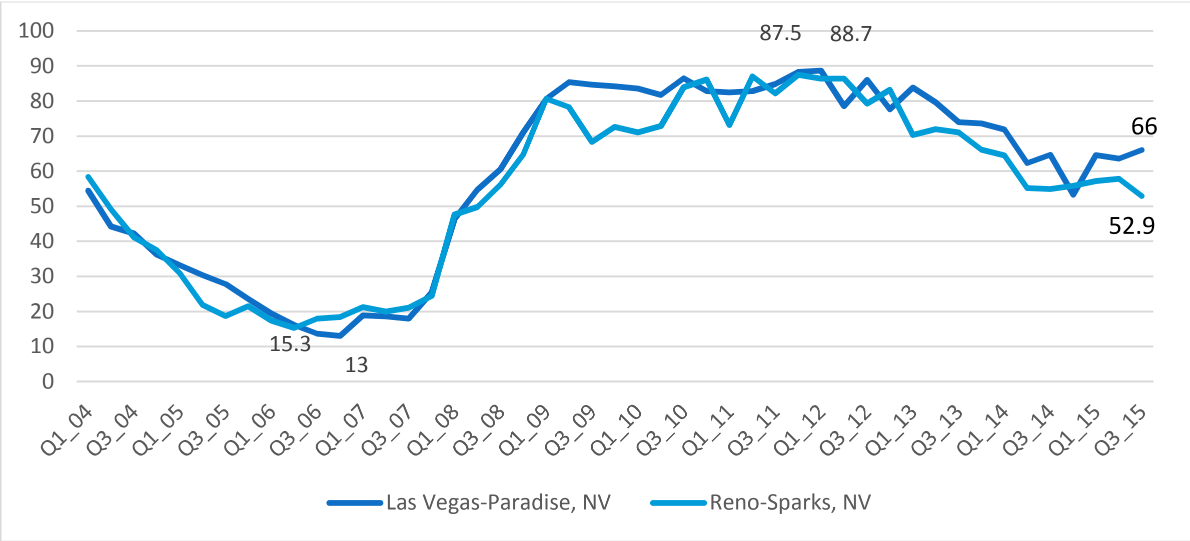
Average fourth quarter 2015 market vacancy rates for multi-family properties reported in Las Vegas and Reno have also decreased slightly since 2014, with the rate of decrease slowing as compared to the change from 2013 to 2014. Las Vegas apartments saw a decrease in average vacancies from 7.7% to 6.8% and in Reno-Sparks from 3.3% to 2.9%.[xi] Reno's overall LIHTC vacancy rate (3.5%) remained slightly higher than the market vacancy rate (2.9%). The rate of decrease for both market and LIHTC vacancy rates in Reno slowed in 2015 and appeared to bottom out. In Clark County, affordable properties again reported a much lower average vacancy rate (4.3%) than did market properties (6.8%). Nationwide, affordable apartments are the tightest part of the multi-family market, especially LIHTC properties, since the growth in these types of apartments has been slower than the growth in the luxury apartment sector.[xii] As shown in Table 4, for both the Reno and Las Vegas market over the two-year period from 4th quarter 2013 to 4th quarter 2015, the decrease in vacancy rates has been greater for the LIHTC properties, with Las Vegas LIHTC properties experiencing the largest decrease (3.5%).

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

Region/Type	2013	2014	2015	Change 2013 to 2015
Las Vegas - market rate	9.1%	7.7%	6.8%	-2.3%
Las Vegas – LIHTC rate	7.8%	5.5%	4.3%	-3.5%
Reno- market rate	4.1%	3.3%	2.9%	-1.2%
Reno- LIHTC	5.3%	3.8%	3.5%	-1.8%

Sources: See endnote x.

Figure 1. National Association of Home Builders – Wells Fargo Housing Opportunity Index, 1st qtr. 2004 to 3rd qtr. 2015



National Association of Home Builders. NAHB-Wells Fargo Housing Opportunity Index.
http://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx
accessed 1-31-2016

The context for 2015 vacancy rates is a continuing recovery from the housing crash in Las Vegas and Reno. Figure 1 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 once again decreased. When compared to 3rd quarter 2014, Reno-Sparks' index has decreased about 8% in affordability while Las Vegas' has increased. Reno remains less affordable than Las Vegas.

Senior LIHTC vacancy rates remain low

Senior or senior/disabled LIHTC properties had overall average vacancy rates 2.5% lower than family properties. Washoe County LIHTC senior/disabled properties reported a vacancy rate of 1.7% for both one and two bedroom units, up slightly from 2014. A similar pattern of tighter supply conditions for senior units than for family units existed in Clark County also but against a back-drop of generally higher vacancy rates. Clark County vacancy rates for senior units were 2.6% for one bedroom and 3.1% for two bedroom units, down 1.6% and up 0.1% from 2014 respectively. Most vacancy rates declined in 2015 as compared with 2014. Some of the vacancy rates which were highest in 2014 (Clark County and family properties) decreased the most, although overall the highest vacancy rates continued to be in Clark County family units, especially the two or three bedroom units.

Table 5. 4th quarter 2015 vacancy rates for LIHTC senior and family properties

Number of Bedrooms	Family	Senior
Studio (0 bdrm)	3.0%	0.0%
One bedroom	3.3%	2.3%
Two bedroom	5.3%	3.0%
Three bedroom	6.3%	NA
Four bedroom	5.8%	NA
Overall average	**5.1%**	**2.6%**

Table 6. 4th quarter 2015 senior and family vacancy rates for properties in Washoe & Clark Co.

	Senior		Family	
	Clark	*Washoe*	*Clark*	*Washoe*
One bedroom	2.6%	1.7%	3.1%	3.1%
Two bedroom	3.1%	1.7%	6.2%	3.8%

Most senior properties are for 55 years old or older

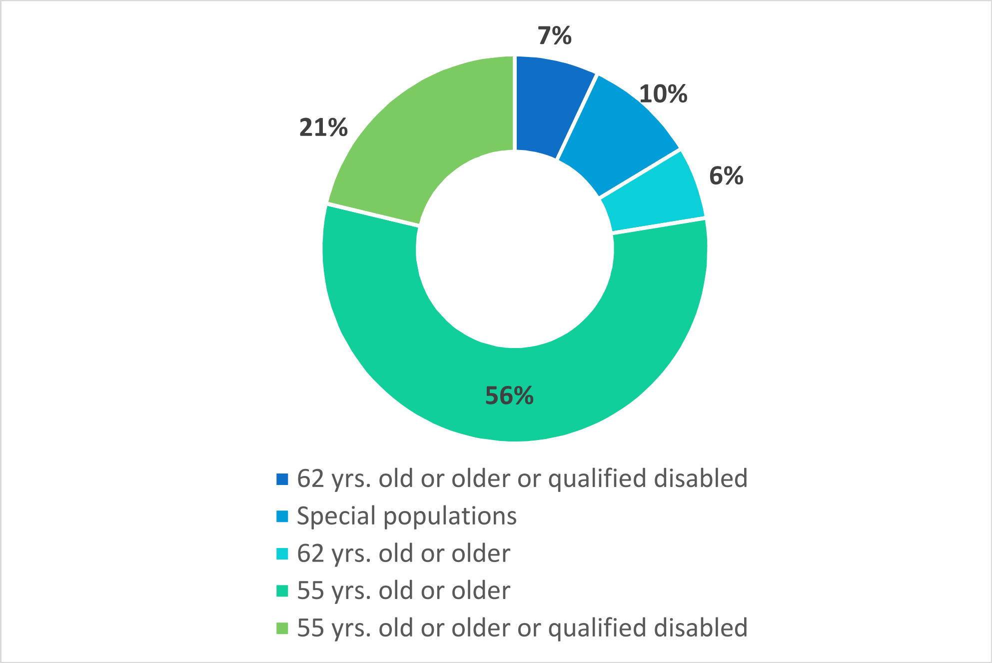
Tax credit properties may set aside units that are restricted to senior populations, certain special populations or to households that have a disabled individual. Respondents were asked if any of their properties' units are restricted to seniors and/or eligible disabled persons. If they answered yes they were asked:

Which set of restrictions best describe the units that are restricted to seniors and/or eligible disabled persons:

- *The units are restricted to households containing a senior 55 years old or older (1)*
- *The units are restricted to households containing a senior 62 years old or older (2)*
- *The units are restricted to households containing an eligible disabled person under age 62 (3)*
- *The units are restricted to households containing an eligible disabled person or a senior 55 years old or older (4)*
- *The units are restricted to households containing an eligible disabled person or a senior 62 years old or older (5)*
- *Other (6) ____________________*

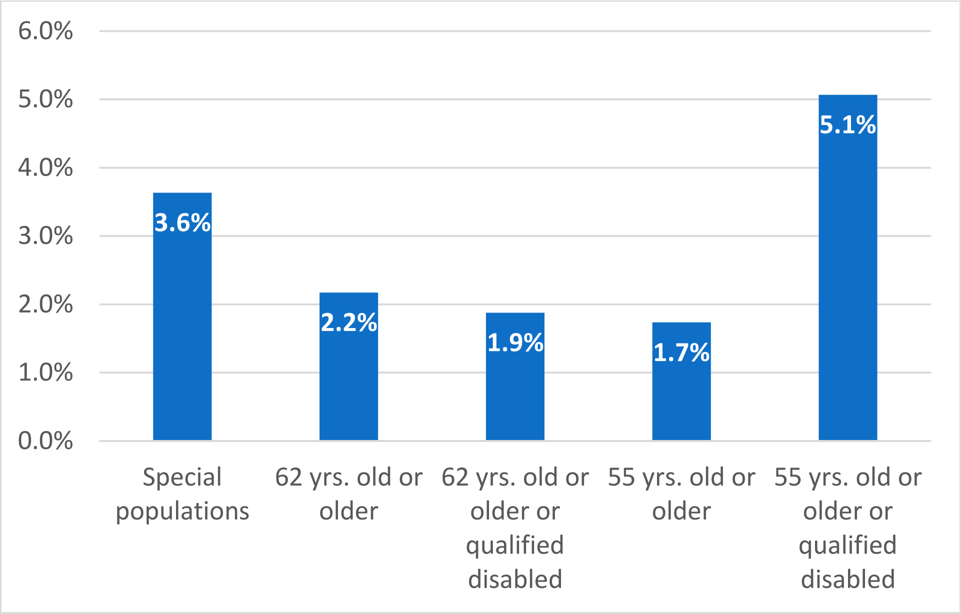
Respondents' answers indicated that most of the properties with some sort of restriction were best described by the answer, "The units are restricted to households containing a senior 55 years old or older." Fifty-six percent of restricted units best fit this description while another 21% of units best fit the description, "The units are restricted to households containing an eligible disabled person or a senior 55 years old or older." Only about 13% of units were restricted to households containing a senior 62 years or older and/or a household containing an eligible disabled person. About 10% of units were in a property where at least some of the units were restricted to households containing a person from a special population.

Figure 2. LIHTC senior/disabled units by type of property



Vacancies were highest in the properties restricted to either households with a person 55 and older or a qualified disabled person (5.1%).

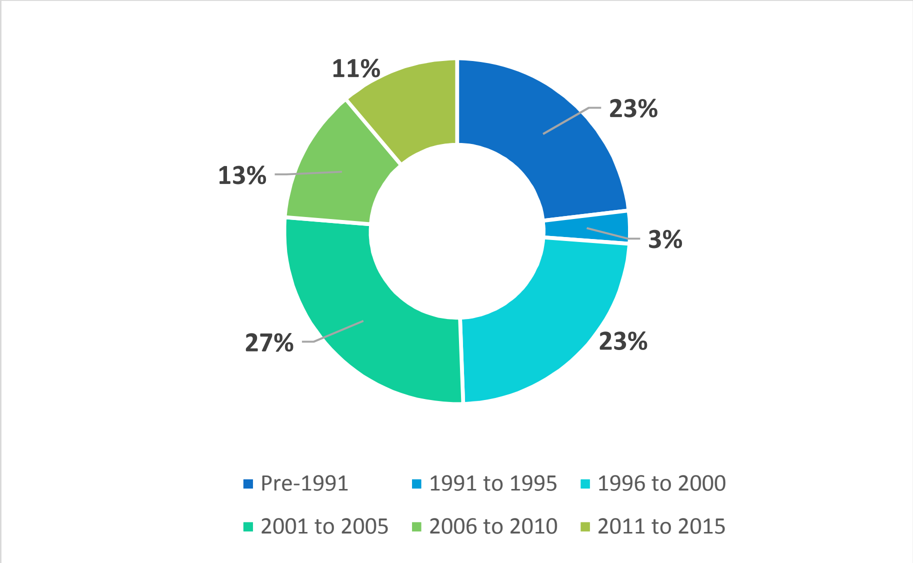
Figure 3. Vacancy rate by type of senior property



Half of LIHTC properties were built from 1996 to 2005

For the responding properties, 24% were built before 1991, 3% from 1991 to 1995, 24% from 1996 to 2000, 27% from 2001 to 2005, 13% from 2006 to 2010 and another 11% from 2011 to 2015. The tax credit program did not begin until 1987, so most properties built before 1991 are in the program because of acquisition and rehabilitation. This year all of the responding properties built before 1991 received tax credits for rehabilitation. Few tax credit properties were built in the early years of the program. Also, Nevada's population grew at the fastest rate of any state during most of the history of the tax credit program; thus fewer credits were issued at the beginning of the program. The highest percentage of units were built from the year 2001 to the year 2005.

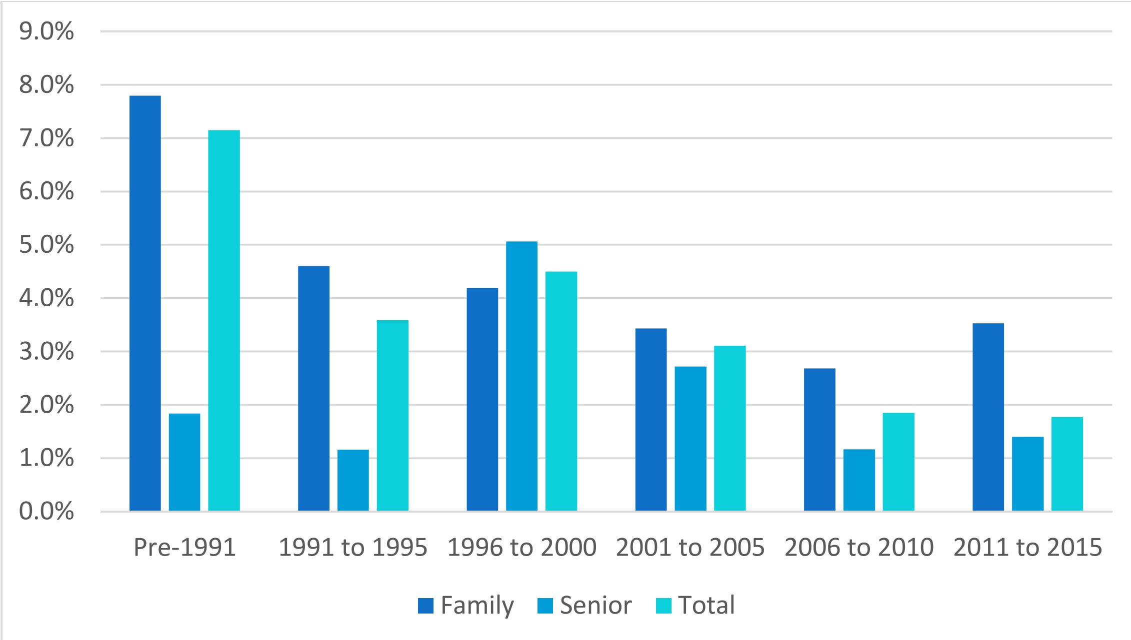
Figure 4. LIHTC units by five year age cohorts



New LIHTC properties have lower vacancy rates

Generally speaking, the oldest properties reported the highest vacancy rates regardless of whether they had been rehabbed. This may be correlated with the older downtown neighborhoods that many old properties are located in. The only exception was for properties built from 1991 to 1995 but these properties represented only 3% of the total units used for these calculations. 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 5).

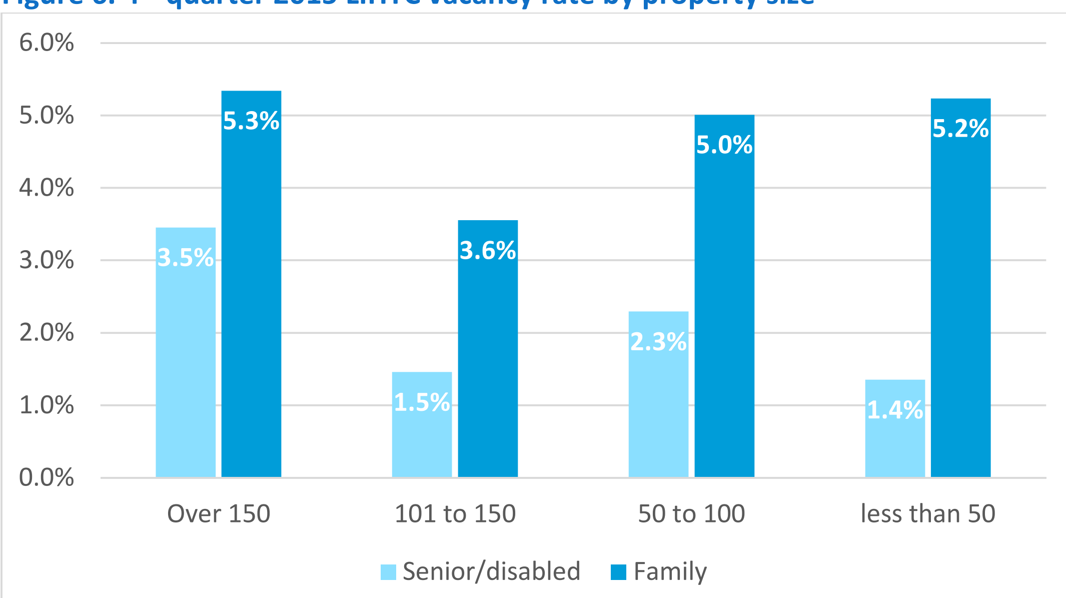
Figure 5. 4th qtr. 2015 vacancy rate for LIHTC properties by year first built



Relationship between property size and vacancy more complex than in 2014

The relationship between vacancy rates and size of property was not as strong as was found in 2014. In 2014 larger properties clearly had higher vacancy rates. 2015 data did not provide as strong a relationship. This may be in part because the rental apartment market for both affordable and market properties has changed over the year, with more demand emerging for all types of affordable units. In addition a somewhat different mix of properties were included in the survey in 2014 and 2015.

Figure 6. 4th quarter 2015 LIHTC vacancy rate by property size



Extra-large affordable properties had the highest vacancy rates on average for both senior/disabled and family properties. However, for family properties, vacancy rates were nearly as high at properties with less than 50 units as for medium size properties of 50 to 100 units. Clark and Washoe County properties were also looked at separately. Vacancy rates in both regions were higher for extra-large properties of more than 150 units (Clark 5.0% and Washoe 4.3%) when compared to any of the other property sizes. The other counties' participating LIHTC properties were primarily less than 50 units.

Properties financed with 4% tax credits and tax exempt bonds have higher average vacancy rates

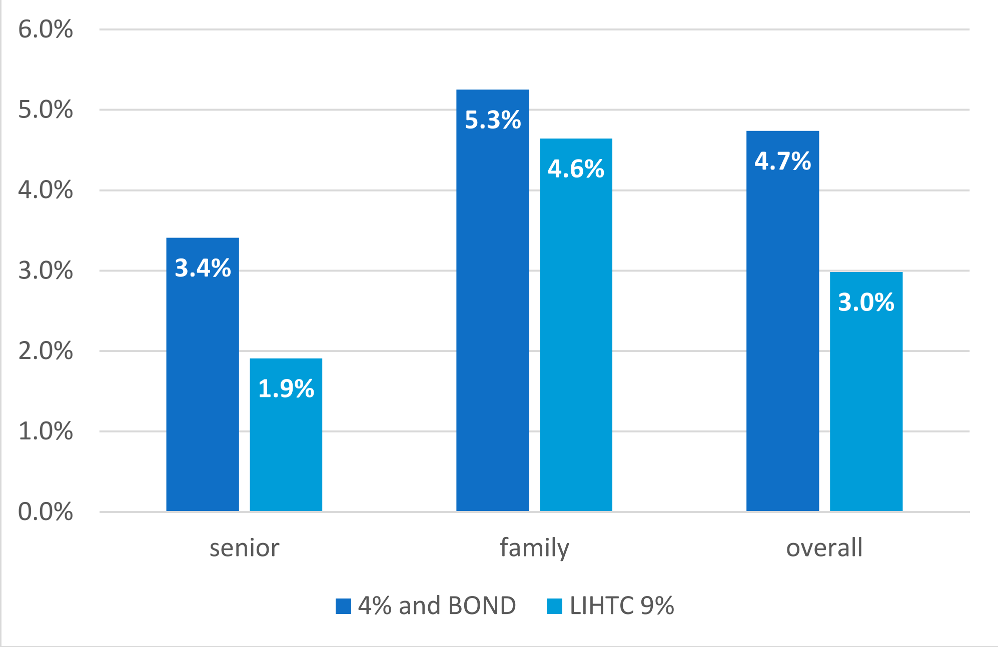
There are two types of tax credits; 9% credits, which are allocated through a competitive process, and provide a subsidy of 70% of the cost basis of a project, and 4% credits, which provide a subsidy of 30%. In the case of 9% credits, investors interested in gaining tax credits provide the majority of the funding dollars for an affordable building project. The 4% credits are typically paired with tax exempt bond funding. Both types of properties may be layered with additional funding sources. The different funding mixes lead to a different "product" type: location, size, type of tenants and other attributes vary systematically for these two funding types. Size especially is different with 88% of 4%/BOND units in properties of 150 or more units while only 8% of units financed with the 9% tax credits are.

Below in Figure 7, vacancy rates for the properties built with the two different types of tax credit funding are compared for senior and family properties. In both cases, vacancy rates are lowest for 9% tax credit properties. This could be a reflection of many of the differences:

- Different average sizes of the properties, as mentioned above.
- 79% of family units were financed with 4%/tax exempt bonds as compared to 47% of senior or senior/disabled units.
- The average age of a 4%/BOND financed unit is 19 years old as compared to 14 years old for 9% tax credit financed units.
- 4%/Bond properties are less likely to be layered with rental assistance.
- Very few of the 4%/BOND properties are built outside of Washoe and Clark counties.

The difference may also be affected by the tighter financing of the 4%/BOND financed properties that leave less room for error in terms of the maintenance costs.

Figure 7. Vacancy rate by type of tax credit funding



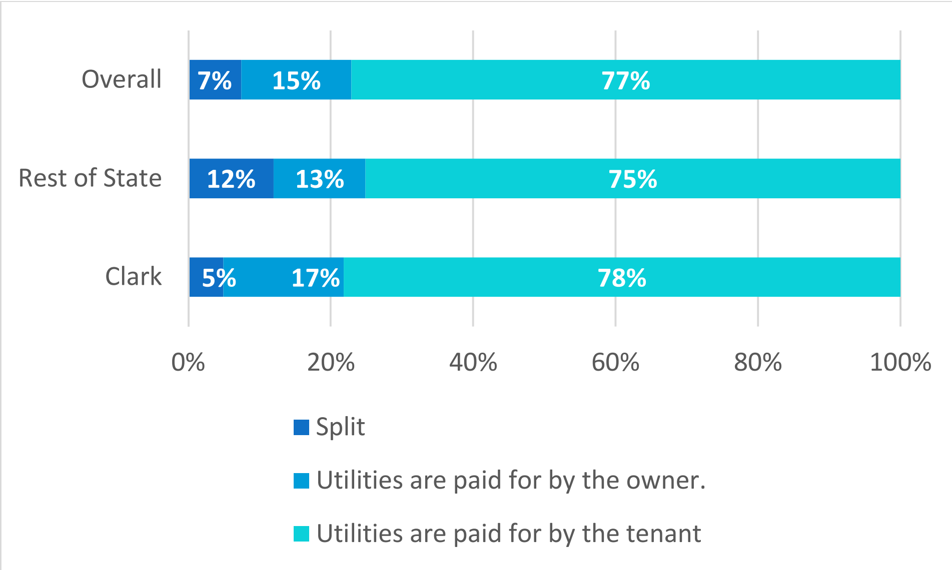
Rents

Utilities are paid for by the tenant at most LIHTC properties

Gross rents are restricted in tax credit properties. Gross rent includes utility costs. Utility costs may be paid by the tenant. If so, rents must be reduced by an estimated utility allowance. This year's survey included two questions about how utilities are handled at the property. One question asked about how gas and electric utilities are paid for and another about how water and sewer bills are paid.

Respondents indicated that tenants pay for utilities in 77% of tax credit units. Owners pay the utilities in 15% of the units while 7% of units have a split cost arrangement, usually with gas paid by the property owner and electric by the tenant. All but one respondent reported that property owners paid for both water and sewer. Using data from the 2013 American Housing Survey (AHS), an estimated 12% of Las Vegas renters in multi-family structures had electricity included in their rent and 17% of the renters who had natural gas had the cost included in their rent. Similar AHS estimates do not exist for Reno or the rest of Nevada; however, the mountain region estimates from AHS were that 17% of multi-family renters had electricity included in their rent and 21% had natural gas included.[xiii] Private market practices regarding inclusion of utilities seem to be reasonably similar to those of tax credit properties. Given the lack of any more definitive data, it seems reasonable to conclude that, at least with regard to utility payment methods, a comparison of average rents for market properties and tax credit properties is possible.

Figure 8. Method of paying utilities



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. 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 were lowest in Washoe County for studios, in Clark County for one bedrooms and in mining counties for two bedroom units and 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 one, two and three bedroom units was in Washoe County. Average lowest rents charged were the lowest in Clark County for one bedroom units. Mining counties reported the lowest low average rents for two and three bedroom sizes.

Table 7. Average highest LIHTC rents by region and by number of bedrooms

Number of Bedrooms	Clark	Mining	Other	Washoe	Nevada
Studio (0 bdrm)	$ 624	NA	NA	$ 577	$ 589
One bedroom	$ 637	*[xiv]	$ 674	$ 686	$ 652
Two bedroom	$ 735	$ 694	$ 726	$ 805	$ 747
Three bedroom	$ 867	$ 786	$ 805	$ 962	$ 890
Overall average	**$ 724**	**$ 688**	**$ 722**	**$ 784**	**$ 738**

Table 8. Average lowest LIHTC rents by region and number of bedrooms

Number of Bedrooms	Clark	Mining	Other	Washoe	Nevada
Studio (0 bdrm)	$ 597	NA	NA	$ 405	$ 456
One bedroom	$ 505	NA	$ 581	$ 592	$ 536
Two bedroom	$ 599	$ 642	$ 679	$ 724	$ 630
Three bedroom	$ 802	$ 754	$ 779	$ 910	$ 833
Overall average	**$ 602**	**$ 647**	**$ 662**	**$ 698**	**$ 632**

4th quarter LIHTC rents were lower than market rents in 2015 except for studio units

As was the case in 2013 and 2014, LIHTC rents were found to be well below market rents with the exception of studio apartments. Average studio rents were close to the market rate rents for Washoe and were actually higher than market rate rents on average in Clark County. However, one, two and three bedroom average rents in LIHTC properties ranged from 15% to 24% lower than market rates.

Table 9. Comparison of 4th quarter 2015 market and LIHTC rents in Washoe County

Number of Bedrooms	LIHTC	J & P market*	% lower
Studio (0 bdrm)	$ 577	$ 580	1%
One bedroom	$ 686	$ 840	18%
Two bedroom	$ 805	$ 1,003	20%
Three bedroom	$ 962	$ 1,263	24%

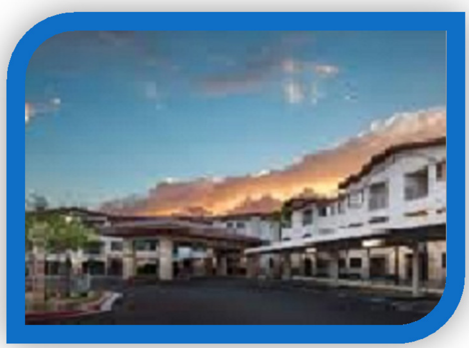
***Johnson and Perkins and Associates, Apartment Survey, 4th Quarter 2015, Reno Sparks Metro, http://jpgnv.com/wp-content/uploads/2016/02/Q4-ApartmentSurvey2015.pdf accessed 1-30-2016 and communication with Sarah Fye, MBA, Johnson and Perkins & Associates.**

Table 10. Comparison of 4th quarter market and LIHTC rents in Clark County*

Number of Bedrooms	LIHTC	ALN Apt. (Oct. 2015) market**	% lower
Studio (0 bdrm)	$ 624	$ 571	-9%
One bedroom	$ 637	$ 754	15%
Two bedroom	$ 735	$ 896	18%
Three bedroom	$ 867	$ 1,040	17%

***Five percent of LIHTC units are outside of greater Las Vegas.**
****ALN Apartment Data Las Vegas Review Oct. 2015 received 2-24-2016 from Brandi McDaniel, ALN.**

2015 - 4th quarter 2015 rents higher than 2014 4th quarter rents



Maximum allowable rents are quite 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, but also on the date each property is put into service, whether median incomes have increased or decreased and other factors.[xv] HUD median income decreased from 2013 to 2014 in both Clark (8%) and Washoe Counties (3%) and then increased slightly from 2014 to 2015 (1% in Clark and 2% in Washoe).[xvi] Nevada average residential prices for natural gas and electricity trended upward over most of the 2013 to 2015 period.[xvii] Thus maximum allowable rents can only have decreased and have not increased from 2013 to 2015. This is interesting because over the period, the reported high range rents for LIHTC units experienced a robust increase of over 10% on average, echoing the increases in market rate rents over the period. This may indicate that in 2013 not all properties were at their maximum allowable rent and reflects increasing demand for these affordable units. Survey methodology issues could also account for some of the change.

Table 11. Comparison of 4th quarter rents in Washoe County from 2013 to 2015

Type of unit	2013	2014	2015	Increase 2013 to 2015
Studio – J & P market rate	$ 545	$ 555	$ 580	6%
Studio - LIHTC	$ 544	$ 550	$ 577	6%
One bdrm - J & P market rate	$ 717	$ 775	$ 840	17%
One bdrm - LIHTC	$ 626	$ 665	$ 686	10%
Two bdrm - J & P market rate	$ 878	$ 918	$ 1,003	14%
Two bdrm - LIHTC	$ 699	$ 741	$ 805	15%
Three bdrm- J & P market rate	$ 1,117	$ 1,176	$ 1,263	13%
Three bdrm - LIHTC	$ 929	$ 983	$ 962	4%
Overall- J & P market rate	$ 860	$ 868	$ 946	10%
Overall - LIHTC	$ 716	$ 755	$ 784	10%

Table 12. Comparison of 4th quarter rents in Clark County from 2013 to 2015*

Type of unit	2013	2014	2015	Increase 2013 to 2015
Studio – ALN market rate	$ 495	$ 517	$ 571	15%
Studio - LIHTC	$ 473	$ 486	$ 624	32%
One bdrm - ALN market rate	$ 665	$ 701	$ 754	13%
One bdrm - LIHTC	$ 572	$ 569	$ 637	11%
Two bdrm - ALN market rate	$ 798	$ 838	$ 896	12%
Two bdrm - LIHTC	$ 670	$ 688	$ 735	10%
Three bdrm- ALN market rate	$ 928	$ 971	$ 1,040	12%
Three bdrm - LIHTC	$ 756	$ 805	$ 867	15%
Overall- ALN market rate	$ 759	$ 798	$ 856	13%
Overall - LIHTC	$ 649	$ 657	$ 724	11%

***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. 2015

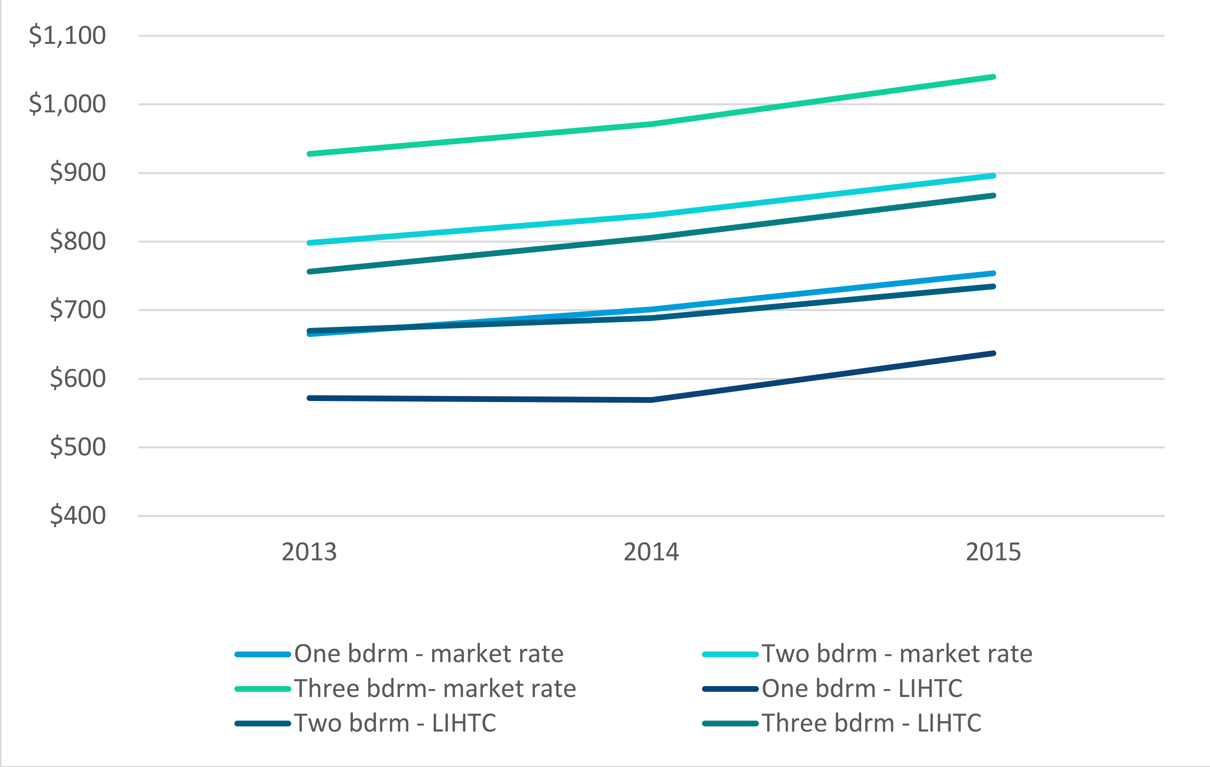
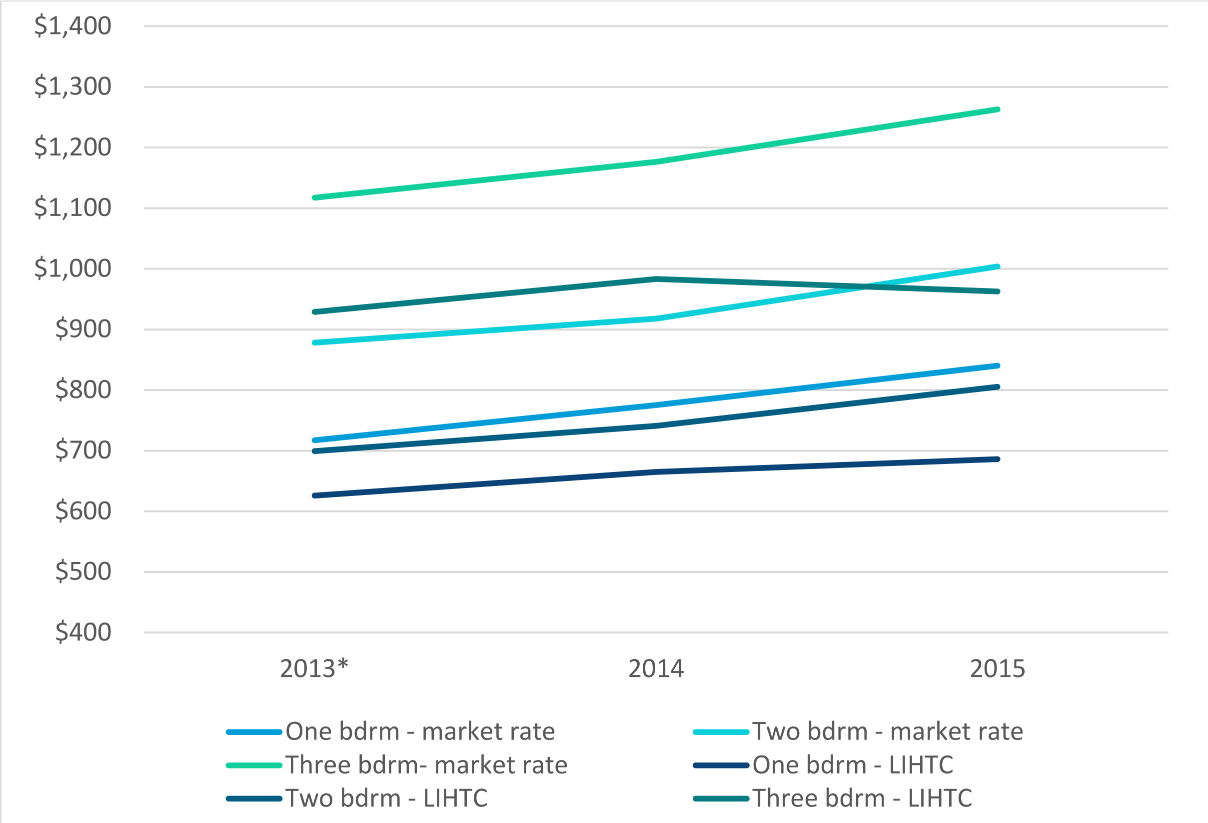


Figure 10. Reno Rent Trends 4th quarter 2013 to 4th qtr. 2015



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 2015 survey, the following question about maximum rents was added:

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 (7) ____________________
- ❍ Not sure (8)

For properties without rental assistance contracts, 34% of units were reported to be at the maximum allowable rents in Clark County, 30% in Washoe County and 48% in the remaining counties.[xviii] Seven percent of units were in properties for which the respondent answered "Not sure." These numbers are surprisingly low given relatively low vacancy rates, increased rents over the past two years and high numbers of properties with waiting lists. Further investigation showed that many respondents for properties with waiting lists (17%) and vacancy rates of 1% or lower (29%) reported that rents are not at the maximum level allowable. Given the complexity of maximum rents, it is likely that the question is not eliciting the response that was intended. The issue of to what extent maximum allowable rents are used requires further investigation.

Table 13. Units reported to be at maximum allowable rent given AMI set asides

	Clark County	Remaining Counties	Washoe County
Units at Max Rent	4,378	596	1,332
Total Units	12,814	1,249	4,384
% Total Units	34%	48%	30%

Rent skipping increased slightly in 2015

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 is 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.

Nevada LIHTC properties reported more skipping in 2015 than in 2014. Overall, there were an average of 1.2 skips per month per hundred units reported in 2015 as compared to 1.1 in 2014. In family properties, the monthly skip rate per hundred was lower than last year (1.5 as compared to 1.6), while for senior properties the skip rate increased markedly in 2015 to 0.8 as compared to 0.3 in 2014. Skip rates were reported to be far lower in senior properties as compared to family properties.

Skip rates were low in every region for senior properties, likely reflecting how Social Security or other retirement pensions help to insulate this age group from swings in economic status. However, the skip rate on senior properties in Clark and Washoe Counties increased as compared to 2014 rates. Mining counties reported lower rates of skipping overall at 0.8 skips per month per hundred units down from 1.5 in 2014. Family properties in Clark County reported the highest 2015 rate at 1.7 skips per month per hundred units.

Figure 11. Skip rate trends for LIHTC properties in 2013 to 2015 (skips per hundred units per month)

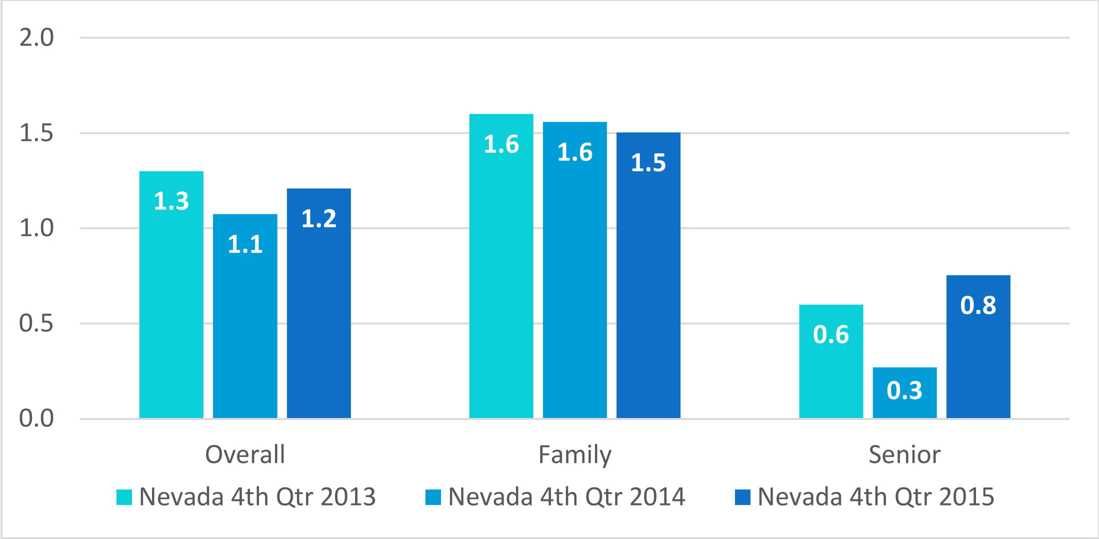
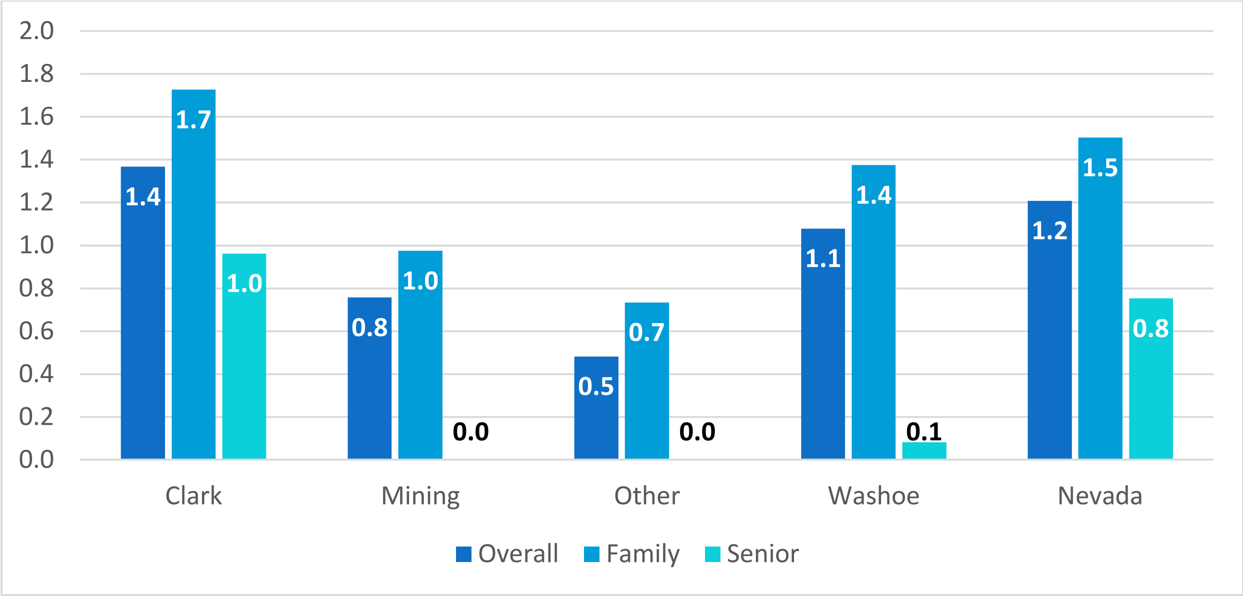


Figure 12. Skip rate per hundred units per month for LIHTC properties by region



Waiting lists are an indicator of unmet needs

Waiting lists, although hard to interpret, are an important indicator of the unmet demand for affordable housing. According to one housing professional, for one of the apartment complexes she manages a waiting list for, out of 100 households on a waiting list, perhaps only four households still needing a home and qualified for it would be found. Especially for units that provide rental assistance, the strong need for housing sometimes causes people to sign on to waiting lists outside of their region even though they likely cannot or will not move. HUD waiting lists must allow anyone 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, but rather as an indicator of the demand pressure on certain types of affordable and/or assisted housing.

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 percent of LIHTC properties had a waiting list

Sixty percent of the properties (114) responding to the survey question had waiting lists. This was almost the same as the 2014 response. Amongst properties reporting 100% occupancy, 73% reported having a waiting list. Amongst properties reporting at least one unit vacant, 54% 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, walk in shower, emergency alarms, spacious floor plan, covered parking, in addition to all types of floor plans accept for studio apartments. However, there were waiting lists for entire properties with studio units.

Number of households on waiting lists increased 42%

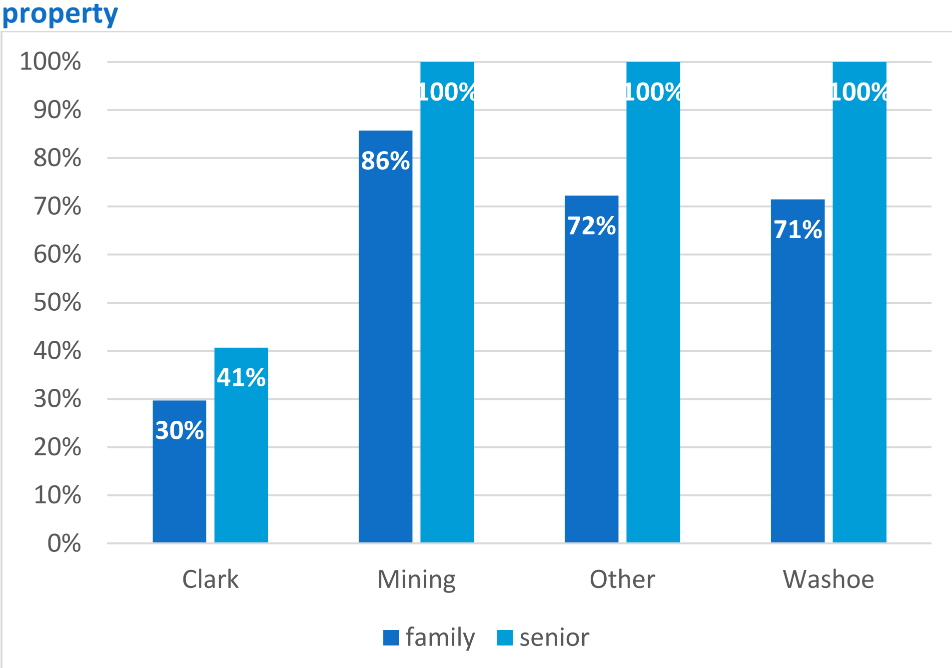
A total of 8,047 households were on waiting lists for tax credit properties. The number was up 42% from last year when 5,683 households were reported on waiting lists. Washoe County accounted for a larger share of the increase with 1,145 more households reported on waiting lists. A part of this increase may be attributed to a somewhat larger number of responding properties in 2015. 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 27 households, up from the median of 16 reported in 2014. Attributes that lead to longer waiting lists were rental assistance availability, being a senior property and a recent construction date. In addition, certain mining areas like Elko had very long waiting lists for almost every property. The charts below illustrate these points.

More senior properties have waiting lists

A higher proportion of senior or senior/disabled properties in every region reported having a waiting list. As reported in 2014, all the senior properties outside of Clark County reported having a waiting list. A far smaller percentage of properties in Clark County 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 somewhat from last year (from 92% to 86% 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 all report waiting lists in 2015

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 12%, or 2,642 units had property based rental assistance offering these deeper subsidies. Forty-seven percent of properties without rental assistance reported having a waiting list versus 100% of the properties with rental assistance. The percent with waiting list increased for both types of properties over 2014 results.

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, from 5 to 18 households per 100 units in the property for those built in 2005 or earlier. But the newest properties built since 2011 had a much higher average waiting list of 89 households per 100 units. In contrast, for properties with rental assistance, the pattern with respect to the age of the property is not clear. If anything, waiting lists appear to be shorter for newer properties. The higher waiting lists for older properties with rental assistance may partially be explained by the pressure on USDA rural development properties, especially those in mining counties.

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

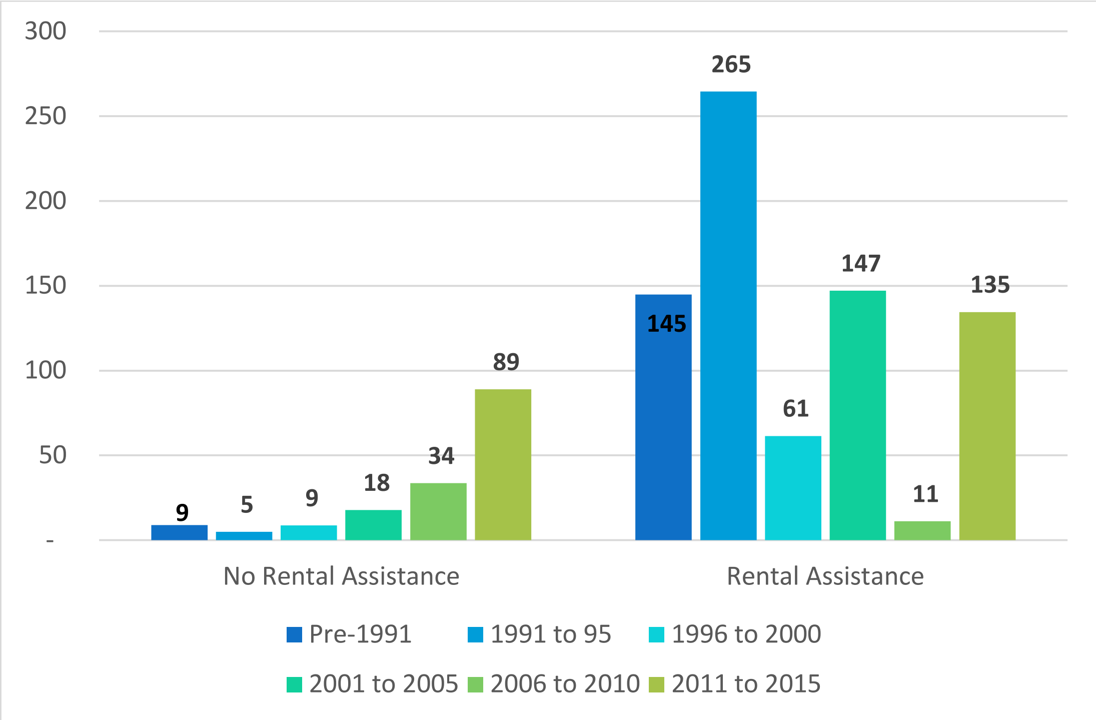
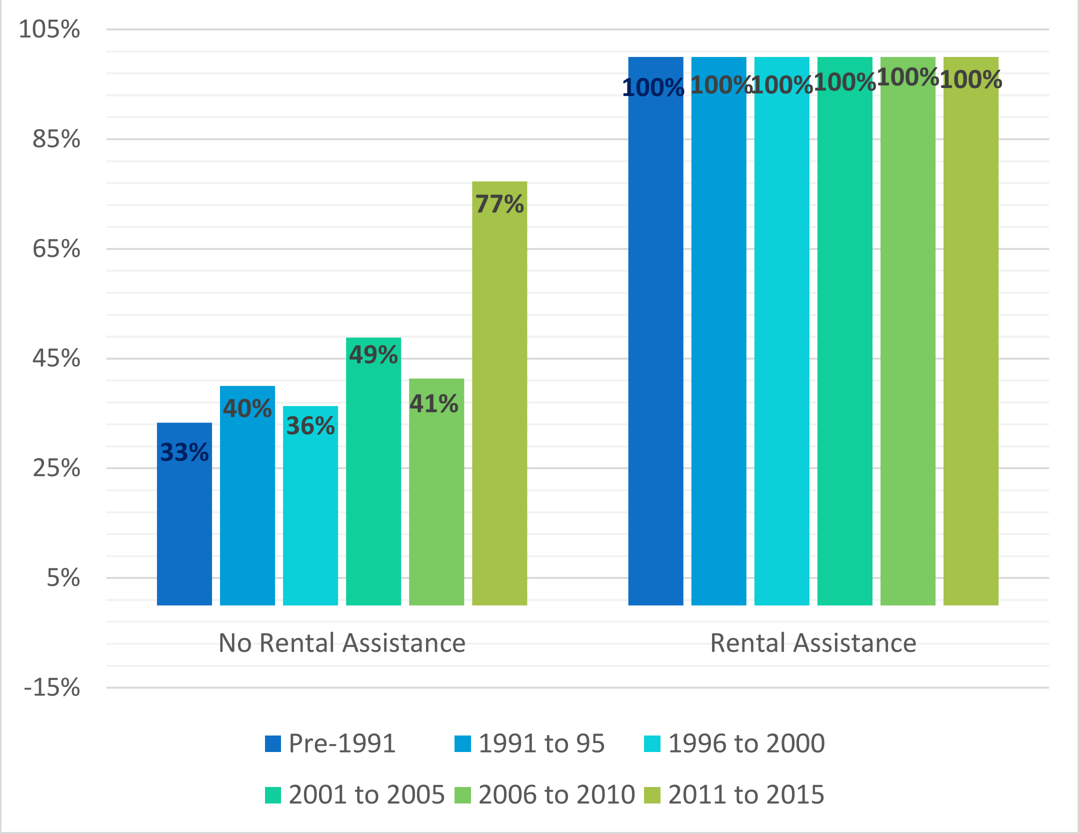


Figure 15. Properties with a waiting list by presence of rental assistance and by year first built

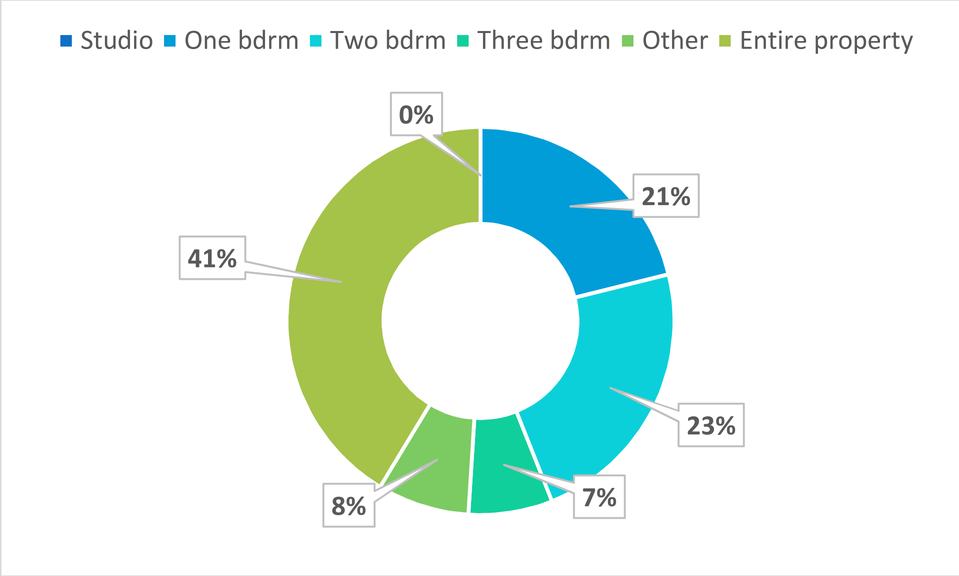


A similar pattern can be seen for the percentage of properties reporting the existence of a waiting list. Properties without any rental assistance are less likely to have a waiting list than those with rental assistance for one or more units. This year all properties that had property based rental assistance reported having a waiting list. The newest properties built since 2011 were most likely to have a waiting list as compared with older properties.

Waiting lists by type of unit

Of those properties that reported having a waiting list, 40% reported having a general waiting list for the entire property, and 58% reported having a waiting list for specific types of units (this information could not be determined for 2% of properties reporting a waiting list). The type of specific unit with the highest number of households on the waiting list was the two bedroom followed closely by the one-bedroom unit.

Figure 16. Waiting List Type



Fewer properties offer incentives in 2015

In the 2015 survey, 19% of responding properties (37) offered incentives such as lower first month rent, free first month rent, free cable and phone, move-in boxes, or lower application fee to prospective tenants.[xix] The most popular incentives were lower or free first month's rent which is very helpful for renters who have little cash to pay upfront costs. In the 2014 survey, 26% of properties offered incentives. Amongst those properties that offered incentives and stated a value for the incentives, the average incentive was worth $260, up by 6% from the average reported in last year's survey.[xx]

Larger and older properties were more likely to use incentives. For example, properties with over 100 units were three and a half times as likely to offer incentives as were properties with under 100 units. Similarly, properties over 10 years old were three and one half times as likely to offer incentives than properties under 10 years old.

By region, the highest percentage of properties responding that they used incentives was once again in Clark County (24%) and the lowest in non-mining rural counties (13%). Within the group of properties that stated a value for the incentive, the highest average value of incentives were reported in Washoe County and the lowest was again in mining counties.

Family properties were more likely to offer incentives. Statewide, 30% of family properties offered incentives while only 9% of senior or senior/disabled properties did. However, the percentage of family properties offering incentives was down from the 2014 percentage. Estimated average value of the incentive was higher for family properties at $269 than for senior properties at $231.

Table 14. Incentive offerings by region.

	2015 % of properties offering incentives	2014 % of properties offering incentives	2015 average value of incentive if stated	2014 average value of incentive if stated
Clark	24%	36%	$ 274	$ 258
Mining	15%	20%	$ 70	$ 105
Other	13%	17%	$ 147	$ 325
Washoe	17%	17%	$ 290	$ 243
Total	**19%**	**26%**	**$ 260**	**$ 244**

All 190 respondents included in the final sample answered the question on incentives. 34 respondents either indicated a value for the incentive or gave enough information for an incentive value to be estimated.

Table 15. Incentive offering by type of property

	2015 % of properties offering incentives	2014 % of properties offering incentives	2015 average value of incentive if stated	2014 average value of incentive if stated
Family	30%	44%	$ 269	$ 254
Senior	9%	9%	$ 231	$ 183
Total	**19%**	**26%**	**$ 260**	**$ 244**

Eleven percent of LIHTC units had tenants with a 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.[xxi] 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 added to the 2015 survey about portable rental assistance:

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)	
Rental assistance through State agencies, for example, Mental Health Services, etc. (3)	
HOME tenant based rental assistance (5)	
Other (4)	

There were a total of 2,234 tenants with portable assistance reported. Seventy-two percent 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 8% of properties reported neither PBRA nor use of a voucher by at least one tenant. The majority of the tenants used Housing Choice Vouchers (94%) with an additional 5% of vouchers reported to be from a state agency such as Mental Health Services and 1% of TBRA reported was from other sources.[xxii] The number of Housing Choice Vouchers reported (2,100) accounted for about 15% of total Housing Choice Vouchers administered in 2015 by the three Housing Authorities statewide. Clark and Mining Counties reported a smaller percentage of overlap than did other rural counties and Washoe County. The differing rates of TBRA use within LIHTC properties is a matter for further investigation. There was a reported overlap of 11% for the state overall.

Table 16. Number of LIHTC tenants with Tenant Based Rental Assistance (TBRA) by region

	Clark	Mining	Other	Washoe	Nevada total
Number of tenants with TBRA	975	13	308	938	2,234
% of total affordable units with TBRA	7%	2%	19%	18%	11%

Accessible Features in Nevada LIHTC Housing

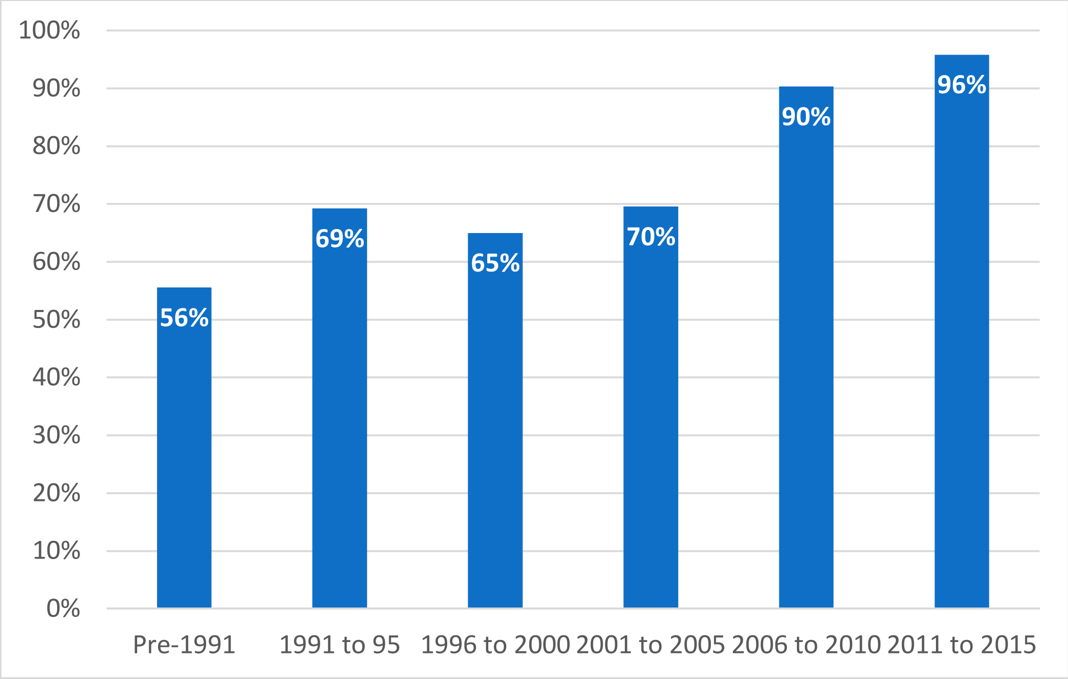
Newer properties are more likely to contain units with special accessibility features

In order to find out more about the number of accessible units and their characteristics, this year's survey included several questions on accessible units. Respondents were first asked:

Do any of your units have special accessibility characteristics such as roll-in showers, grab bars, smoke detector with strobe light, etc.?

Seventy-three percent of the 190 properties in the final sample answered that they do have units with special accessibility characteristics. Accessible units were reported to be more common in senior units with 88% having them, as compared with family properties (58%). The more recently a property was first built, the more likely it was to have accessible units (See Figure 17).

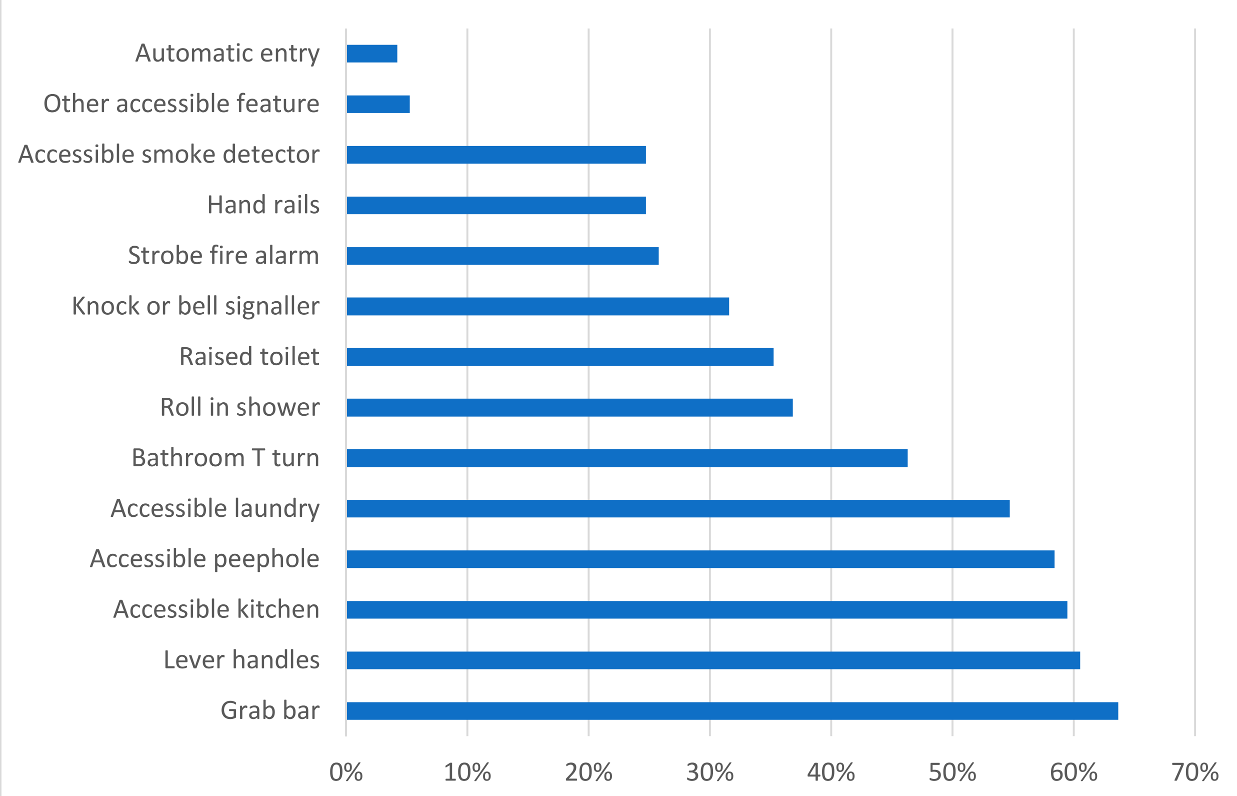
Figure 17. Percent of properties with at least one unit containing special accessibility features by year first built



Grab bars, lever door handles and easy-access kitchens are most common accessibility features

Respondents were then asked to report which types of accessibility characteristics the units have. Results are reported in Figure 18. Of properties reporting at least one unit with special accessibility characteristics, grab bars in the bathroom were the most commonly reported with 64% of properties reporting this feature. The least commonly reported feature was automatic entry with only 4% reporting this feature. Other features not listed in the question but reported in the 'other' category included a built-in seat in the shower, emergency signal systems or pull cords, electrical outlets higher up on the wall, doorbell with lights and stove knobs on the front of the stove. All other features and results are given in Figure 18.

Figure 18. Percent of special units with accessible feature



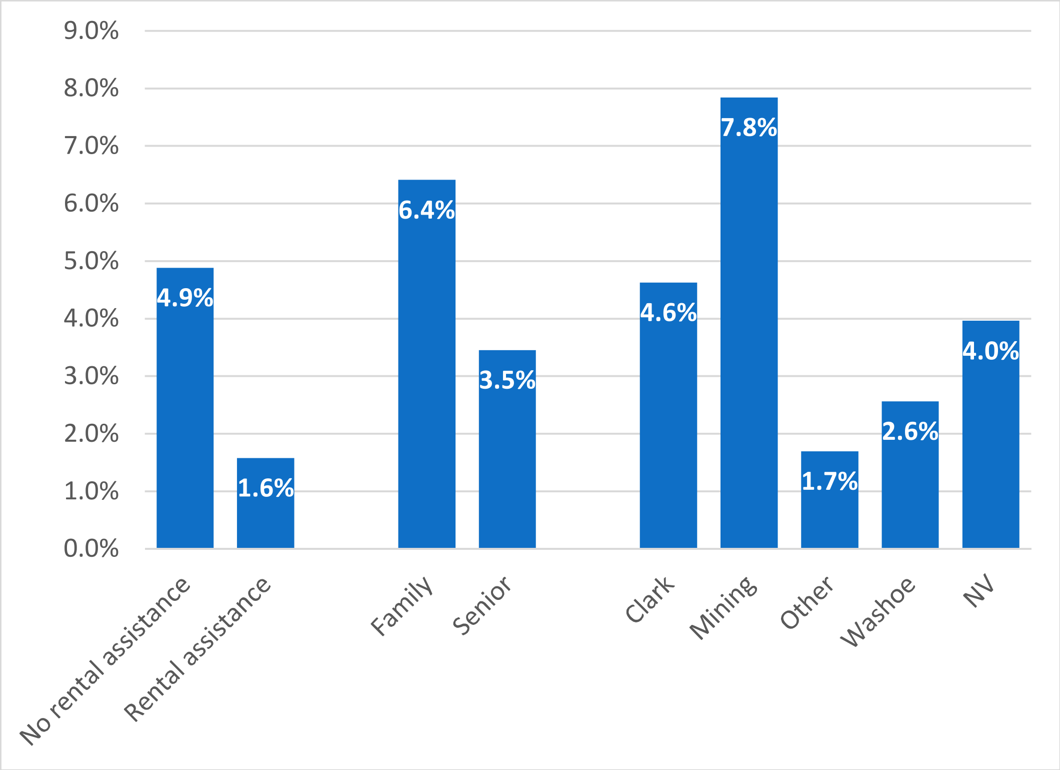
A total of 1,363 units with special accessibility features reported in Nevada's LIHTC housing

Respondents were also asked to report the number of units in their property with special accessibility features. A total of 1,363 units or 6.5% of total affordable units were reported to have special accessibility features. Family properties reported far fewer with only 1.8% of units reported as accessible units. In contrast, 13.8% of units in senior properties were reported to be accessible units. Properties with property based rental assistance were more likely to have accessible units, with 15.3% of units reported to have special accessibility features as compared to 5.3% of properties without rental assistance. Properties built with 4% tax credits and tax exempt bonds also reported fewer accessible units as compared to properties built with 9% tax credits (3.8% versus 9.9%).

Vacancy rates in accessible units mirror vacancies in regular affordable units

A question on vacant units allowed for calculation of vacancy rates for the accessible units. The pattern of vacancies followed that of affordable units generally with lower vacancy rates for units with property based rental assistance, senior units, and units in Washoe County or non-mining rural counties (Figure 19).

Figure 19. Vacancy rates for accessible units



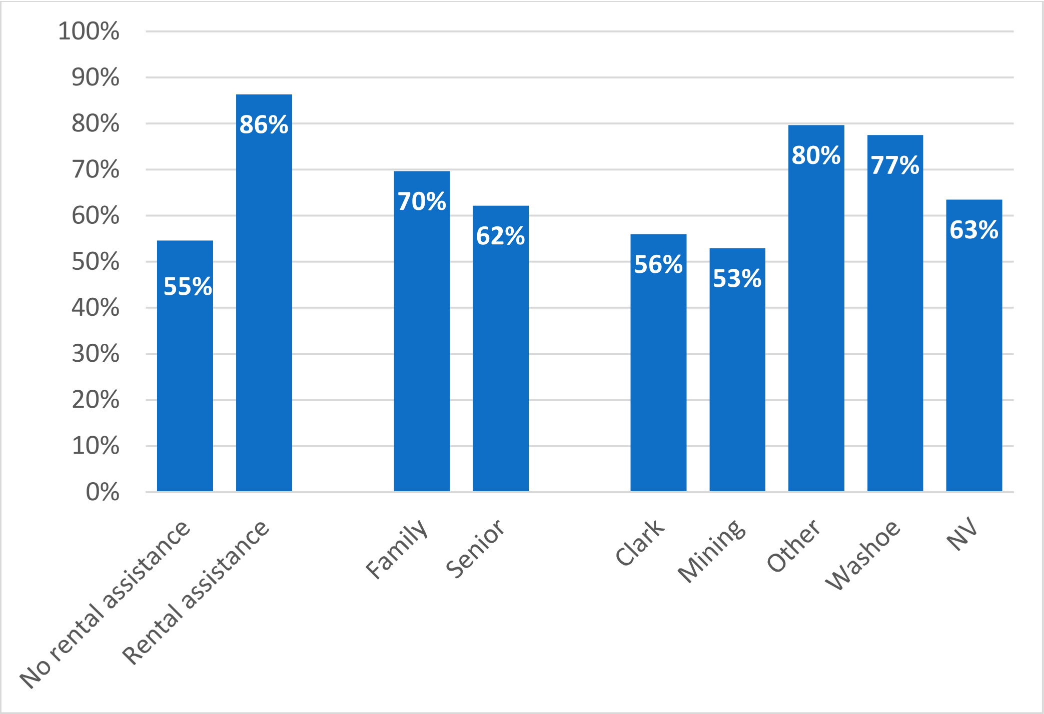
Over sixty percent of accessible units are rented by households that need them

Another item of interest is how often accessible units go to households with one or more individuals who need the special features. To find out more about this issue a final question on accessible units was added:

> How many of these special accessible units are currently rented to disabled tenants who need one or more of the accessible characteristics of the unit?

For the 1,363 units with accessible features, a total of 865 units, or 63.5%, were reported to be filled with a household needing the features. Fifty-four were reported to be vacant at the time of the survey, while 444 were rented but to households not needing the special features.

Figure 20. Percent of accessible units occupied by a household with disabled individual



Discussion and Conclusion

This year's survey asked property managers to report special information about their accessible units. Tax credit properties reported that 37% of all units with special accessibility features were filled with households who do not need those features and may not want them. Future surveys may include more research on how many households with a disabled individual could use these units and whether increasing information availability could help make better matches between tenants and units.

Twenty-three percent of tax credit units had either tenant based or property based rental assistance. At the national level, rental assistance has been found to be one of the key ingredients needed in order for the LIHTC program to serve extremely low income households.[xxiii] Understanding the overlap between programs will help to clarify how many households are likely to be served with existing low income housing resources.

For a second year in a row, average vacancy rates have decreased at Nevada's LIHTC properties. As Nevada has begun to consolidate its recovery from the economic crisis, rents at both market rate and affordable properties increased more than 10%. Meanwhile Nevada's average wages have increased only 3% over the past two years.[xxiv] Although vacancy rates appeared to bottom out in Washoe County in 2015, the growth associated with the new Tesla plant as well as other new economic activity appear poised to overwhelm affordable housing resources. In Clark County much of the recent activity in private market rate multi-family construction has been on the luxury end.[xxv] Affordable housing in this region may also suffer excess demand in the near future. Nevada mirrors the nation in experiencing a tightening in the market for multi-family apartments, particularly at the affordable end of the spectrum.

NHD would like to thank the management companies and their employees who have taken the time to respond to the 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 Steve Aichroth, saichroth@housing.nv.gov, 1535 Old Hot Springs Road, #50, Carson City, NV 89706.

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Appendix A Survey Questionnaire

Below is the 2015 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.

Q1 Thank you for your help with the Nevada Housing Division's 2015 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 Steve Aichroth 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 Are any of the units restricted to seniors and/or eligible disabled persons?

- ❍ yes (1)
- ❍ no (2)

Answer If Are any of the units restricted to seniors and/or eligible disabled persons? yes Is Selected

Q8 How many units are restricted to seniors and/or eligible disabled persons?

- ❍ All units (2)
- ❍ All units except manager units (3)
- ❍ Only some of the units are restricted. Please enter how many units (4) ____________________

Answer If Are any of the units restricted to seniors and/or eligible disabled persons? yes Is Selected

Q9 Which set of restrictions best describe the units that are restricted to seniors and/or eligible disabled persons:

- ❍ The units are restricted to households containing a senior 55 years old or older (1)
- ❍ The units are restricted to households containing a senior 62 years old or older (2)
- ❍ The units are restricted to households containing an eligible disabled person under age 62 (3)
- ❍ The units are restricted to households containing an eligible disabled person or a senior 55 years old or older (4)
- ❍ The units are restricted to households containing an eligible disabled person or a senior 62 years old or older (5)
- ❍ Other (6) ____________________

Q10 Do any of your units have special accessibility characteristics such as roll-in showers, grab bars, smoke detector with strobe light, etc?

- ❍ Yes (1)
- ❍ No (2)

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q11 Drag and drop the accessibility characteristics that are available at your property into the box.

Special accessibiity characteristics
______ Door has a knock or bell signaller (2)
______ Accessible laundry facility (3)
______ Doors have lever handles (4)
______ Door has accessible peephole (5)
______ Bathroom has grab bars (15)
______ Bathroom has a T-Turn or 60" turning circle (16)
______ Bathroom has a roll-In shower (17)
______ Bathroom has raised toilets (19)
______ Strobe fire alarm (20)
______ Accessible smoke detector (21)
______ Automatic entry (22)
______ Hand rails (7)
______ Easy access kitchen (8)
______ Other (9)

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q12 How many units have special accessibility characteristics?

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q13 How many of these special accessible units are currently vacant?

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q14 How many of these special accessible units are currently rented to disabled tenants who need one or more of the accessible characteristics of the unit?

Q15 Does your property offer 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

Q16 How many units have 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

Q17 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) ____________________

Q18 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)	
Rental assistance through State agencies, for example, Mental Health Services, etc. (3)	
HOME tenant based rental assistance (5)	
Other (4)	

Q19 How are gas and electric utilities paid for at this property?
- ❍ Utilities are paid for by the tenant (1)
- ❍ Utilities are paid for by the owner. (2)
- ❍ Other (please explain) (3) ____________________

Q20 Are water and sewer paid for by the owner of the property?
- ❍ Yes (4)
- ❍ No (6)
- ❍ Other (please explain) (5) ____________________

21 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)	

Q22 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)	

Q23 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)	

Q24 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)	

Q25 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 (7) ____________________
- Not sure (8)

Q26 What was the property's average occupancy rate for the past 12 months?

Q27 On average, how many households per month skip or are required to move out due to inability to pay their rent?

Q28 Are you currently offering any incentives to prospective tenants (e.g. prizes, half-month free rent, etc)?
- Yes (1)
- No (2)
- Other (3) ____________________

Answer If Are you currently offering any incentives to prospective tenants (e.g. prizes, half-month free re... Yes Is Selected
Q29 Please describe the incentives you are using.

Q30 Do you currently have a waiting list?
- Yes (1)
- No (2)

If No Is Selected, Then Skip To End of Block

Answer If Do you currently have a waiting list? Yes Is Selected
Q31 Is the waiting list for 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
Q32 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
Q33 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
Q34 Please describe other attributes for any units with a waiting list, for example, unit with washer/dryer, on ground floor, accessible unit, etc:

Final 2015 Affordable vacancy and rent survey

Q1 Thank you for your help with the Nevada Housing Division's 2015 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 Steve Aichroth at 775-687-2032 with any questions. We very much appreciate your help.

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❍ The units are restricted to households containing an eligible disabled person or a senior 55 years old or older (4)
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______ Automatic entry (22)
______ Hand rails (7)
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______ Other (9)

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Q12 How many units have special accessibility characteristics?

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q13 How many of these special accessible units are currently vacant?

Answer If Do any of your units have special accessibility characteristics such as roll-in showers, grab bar... Yes Is Selected

Q14 How many of these special accessible units are currently rented to disabled tenants who need one or more of the accessible characteristics of the unit?

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- ❍ 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

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

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	Number of tenants (2)
Housing Choice Voucher (1)	
Rental assistance through State agencies, for example, Mental Health Services, etc. (3)	
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Other (4)	

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- ❍ Utilities are paid for by the tenant (1)
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- ❍ Other (please explain) (3) ____________________

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- ❍ Yes (4)
- ❍ No (6)
- ❍ Other (please explain) (5) ____________________

Q21 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)	

Q22 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)	

Q23 Please fill out the lowest rent you will charge on turnover for each type of unit

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

Q24 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)	

Q25 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)

Q26 What was the property's average occupancy rate for the past 12 months?

Q27 On average, how many households per month skip or are required to move out due to inability to pay their rent?

Q28 Are you currently offering any incentives to prospective tenants (e.g. prizes, half-month free rent, etc)?
- ❍ Yes (1)
- ❍ No (2)
- ❍ Other (3) ____________________

Answer If Are you currently offering any incentives to prospective tenants (e.g. prizes, half-month free re... Yes Is Selected

Q29 Please describe the incentives you are using.

Q30 Do you currently have a waiting list?
- ❍ Yes (1)
- ❍ No (2)

If No Is Selected, Then Skip To End of Block

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

Q31 Is the waiting list for 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

Q32 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

Q33 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

Q34 Please describe other attributes for any units with a waiting list, for example, unit with washer/dryer, on ground floor, accessible unit, etc:

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] Fannie Mae Economic and Strategic Research. Multifamily Market Commentary – November 2015. http://www.fanniemae.com/resources/file/research/emma/pdf/MF_Market_Commentary_111915.pdf accessed 1-30-2016.
[iii] Section 42 regulations can be found at: http://www.novoco.com/low_income_housing/resource_files/irs_rulings/irc_42/irc_sec_42_013113.pdf
[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.
[vii] Eighteen of the questionnaires were not used for these calculations because of special circumstances (e.g. rent-up not completed for new property) 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] Fannie Mae Economic and Strategic Research. Multifamily Market Commentary – December 2014. http://www.fanniemae.com/resources/file/research/emma/pdf/MF_Market_Commentary_121814.pdf accessed 1-26-2015.
[ix] Nevada Department of Employment and Wages. Quarterly Census of Employment and Wages Average Mining Employment 3rd quarter 2014 to 3rd quarter 2015. http://www.nevadaworkforce.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry accessed 3-4-2016
[x] Mining counties were determined using a cut-off of 10% or more QCEW place of work employment in the mining sector and include Elko, Nye, Humboldt, White Pine, Pershing, Lander and Eureka County. Mineral and Esmeralda counties have high mining employment but have no tax credit properties.
[xi] ALN Apartment Data for month of November 2014. ALN Apartment Data for month of October 2015.Johnson and Perkins.4th Quarter 2014 report. Johnson and Perkins.4th Quarter 2015 report.
[xii] Fannie Mae Economic and Strategic Research. Multifamily Market Commentary – November 2015. http://www.fanniemae.com/resources/file/research/emma/pdf/MF_Market_Commentary_111915.pdf accessed 1-30-2016.
[xiii] U.S. Census Bureau. American Housing Survey. 2013 Las Vegas Housing Costs, 2013 Mountain Region Housing Costs. http://www.census.gov/programs-surveys/ahs.html accessed 2-26-2016.
[xiv] Not enough information was available to provide this average.
[xv] Stagg, Thomas. 2009. "Understanding the New Income Limits." Novogradac Property Compliance Report. Vol. XII, Issue 5.
[xvi] U. S. Housing And Urban Development. Multifamily Tax Subsidy Projects Rent and Income Limits. https://www.huduser.gov/portal/datasets/mtsp.html accessed 2-24-2016.
[xvii] For a more definitive cconclusion 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 3-8-2016
[xviii] Seven percent of units were in properties for which respondents checked "not sure".
[xix] Note that some of the reported incentives may apply only to market rate units but this could not always be determined fromt the data.
[xx] The value of move-in specials were estimated conservatively by finding the difference between the move in special amount and the lowest regular rent offered.
[xxi] 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.
[xxii] Data on HOME TBRA was not used as it appeared there was confusion over tenant based rental assistance and funding of construction or rehabilitation with HOME dollars. There were also some respondents who included property based rental units in the tenant based rental question but data was corrected using information from the previous question and from Division records.
[xxiii] Moelis Institute for Affordable Housing. "What Can We Learn about the Low-Income Housing Tax Credit Program by Looking at the Tenants?" October 2012. http://furmancenter.org/files/publications/LIHTC_Final_Policy_Brief_v2.pdf
[xxiv] Nevada Department of Employment and Wages. Quarterly Census of Wages and Employment Average Weekly Wages 3rd quarter 2013 to 3rd quarter 2015. http://www.nevadaworkforce.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry accessed 3-4-2016
[xxv] Wargo, Buck. 2016. "Pent-up demand creates wave of luxury apartment development in Las Vegas Valley" Las Vegas News and Review. http://www.reviewjournal.com/business/housing/pent-demand-creates-wave-luxury-apartment-development-las-vegas-valley accessed 3-3-2016.