

**SB68 - A REVENUE STREAM  
TO CREATE HOUSING  
FOR THE MOST VULNERABLE  
NEVADANS:  
AN EQUITABLE & PRODUCTIVE SOLUTION  
TO HIGH-IMPACT PROBLEMS**

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**CLARK REGIONAL BEHAVIORAL HEALTH  
POLICY BOARD**

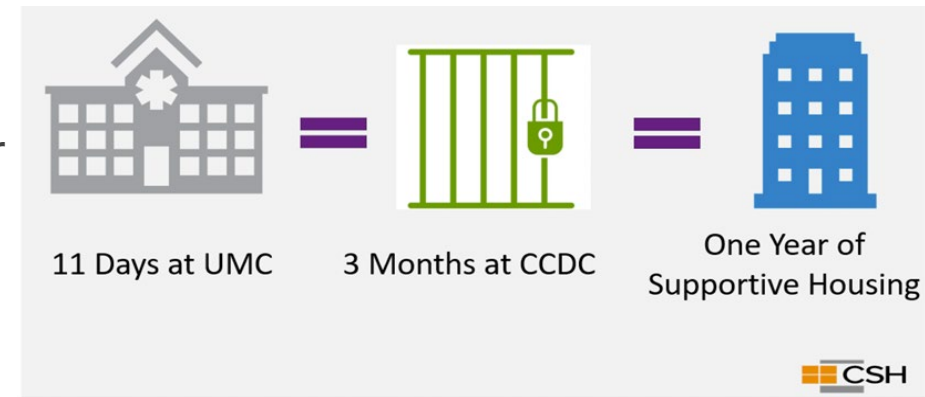
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# What, Why, Who Served, Who in BIG Tent

**What** - .20/\$500 on RPTT to create Critical Needs fund for Supportive Housing and Services and Housing Stability    \$160 on a \$400,000 home purchase; \$6600 on \$16.5M Microsoft buy

**Why** – RPTT is paid by people and enterprises who can afford to buy property; this will divert costs of homeless & mentally ill now being paid in health care / law enforcement / business & tourism impact.

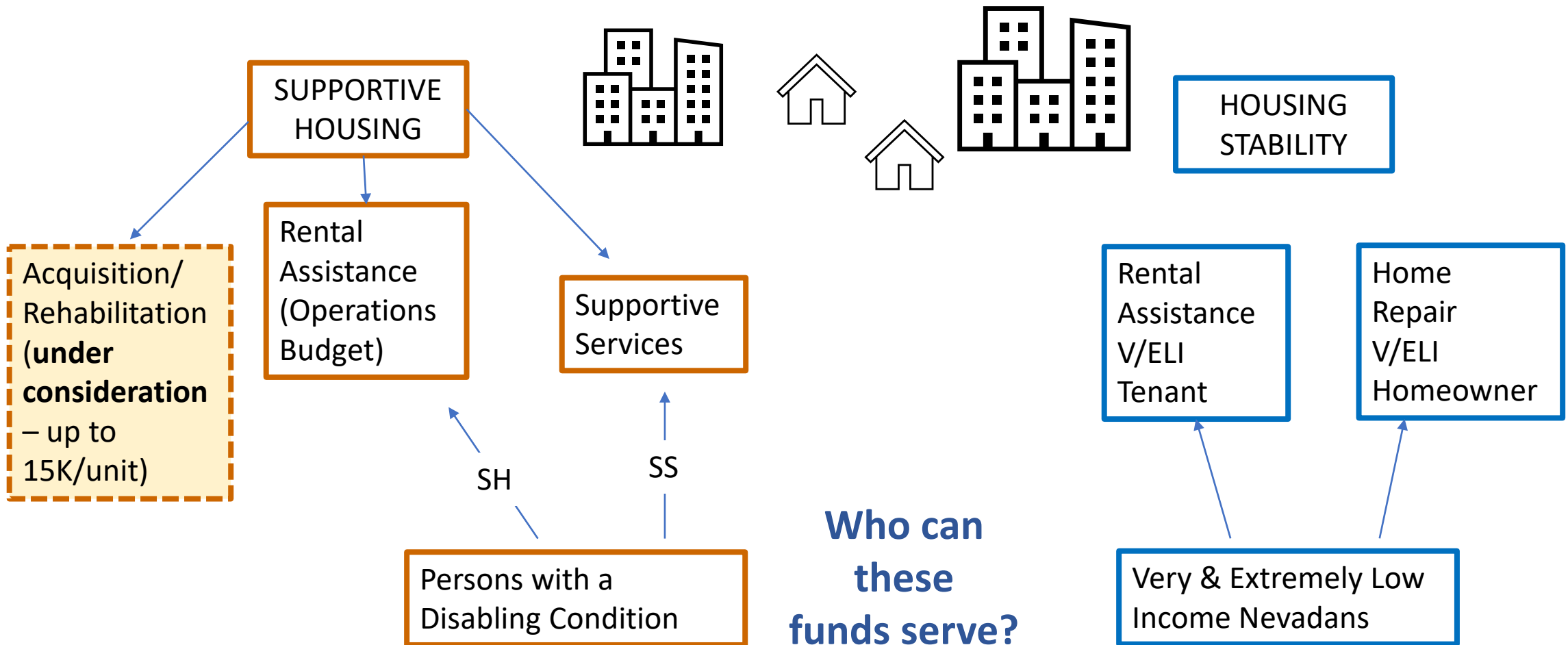
HMN made huge impact in ‘brick and mortar’ ; need \$\$ for operating budget and supportive services to make those projects sustainable.



**Who Serves** – Homeless, SMI, people in recovery, ID/DD, Very/Extremely Low Income (not served by LIHTC affordable housing); this can fill gaps

**In the Big Tent** -12 or so Housing Justice Alliance nonprofits, Homeless Advocates, Housing Authorities, NAMI & Mental Health/SUD , faith based, Regional BH Policy Boards, more.

# How can these funds be used?



# Nevada Success in Supportive and Subsidized Housing

## *The Empowerment Center - Solutions for Recovery*



← Repurposed Motel to Supportive Recovery Housing

Marvel Way Apartments → affordable, sober living complex for individuals and families, supporting homeless or financially challenged individuals in recovery.



The Center must continually chase grants to provide staff and services needed. SB68 will bring stability to the supportive housing system Nevada needs.

# Customizable – Urban and Rural Incentives collaboration and leverage

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- Regional BH Policy Board allocates money between 2 buckets: Housing Stability and Supportive Housing and Services – minimum 25% in each Why? Rurals do not have supportive housing capacity yet; if most vulnerable Nevadans can have housing stability it prevents despair/mental illness/ addiction
- Housing Stability includes rental and eviction prevention assistance and home repair – lowest income rural NV live in own manufactured home that needs ramps, insulation, repairs to be accessible and affordable
- Incentives partnership and leverage – LIHTC, HOME, CDBG, Social Services, Medicaid
- Provides Home Means NV projects sustainability - ARPA funded bricks and mortar, needs operating and services \$ commitment.

# Projected Revenues



Using average from last 5 years RPTT to AFTF and showing income at proposed .20/\$500 value.



Regions are required to allocate a minimum of 25% of annual income to each of Supportive Housing/Supportive Services and Very/Extremely Low-Income Housing; Board chooses how to allocate remaining 50%



Assumptions: each region receives a minimum of \$500,000; each dollar from the Critical Needs fund leverages three other dollars in Rental Assistance or Supportive Services.



Funds will be awarded on a three-year basis, may be committed for up to 10 years, but utilization is reviewed annually and funds may be withdrawn for noncompliance.

Regions	pop/region	% pop	Total Revenue .20/\$500	Minimum 25% SH&S	50% Boards' choice	Minimum 25% V/ELI
Clark	2,265,461	73.0%	\$ 10,245,383	\$ 2,561,346	\$ 5,122,691.50	\$ 2,561,346
Washoe	486,492	15.7%	\$ 2,170,292	\$ 542,573	\$ 1,085,146.00	\$ 542,573
Northern	196,982	6.3%	\$ 867,340	\$ 216,835	\$ 433,670.00	\$ 216,835
Rural	94,306	3.0%	\$ 500,000	\$ 125,000	\$ 250,000.00	\$ 125,000
South Rural	61,373	2.0%	\$ 500,000	\$ 125,000	\$ 250,000.00	\$ 125,000

# Potential Impact of 3X Leverage of Housing Vouchers, Medicaid, and Other Funds

Regions	Total Revenue	Minimum		Minimum	Anticipated Leveraged Impact		
	.20/\$500	25% SH&S	50% Boards' choice	25% V/ELI	25% SH&S x3	50% choice x3	25% V/ELI x3
Clark	\$ 10,245,383	\$ 2,561,346	\$ 5,122,692	\$ 2,561,346	\$ 7,684,037	\$ 15,368,075	\$ 7,684,037
Washoe	\$ 2,170,292	\$ 542,573	\$ 1,085,146	\$ 542,573	\$ 1,627,719	\$ 3,255,438	\$ 1,627,719
Northern	\$ 867,340	\$ 216,835	\$ 433,670	\$ 216,835	\$ 650,505	\$ 1,301,010	\$ 650,505
Rural	\$ 500,000	\$ 125,000	\$ 250,000	\$ 125,000	\$ 375,000	\$ 750,000	\$ 375,000
South Rur	\$ 500,000	\$ 125,000	\$ 250,000	\$ 125,000	\$ 375,000	\$ 750,000	\$ 375,000

# Partner Systems

**HUD** – addressing chronically homeless and offering Housing First

**Continuums of Care**  
– access point for homeless, managers of various vouchers

**Nevada Housing Division** - Qualified Allocation Plan / LIHTC Process

**Public Housing Authorities** – efficient at allocating RA to SH and V/ELI, most individuals at the top of their waiting lists are ELI

**County Social Service Departments** – allocate other services dollars

**Veterans Administration**

**CCBHCs** (behavioral health support) and **FQHCs** (physical health) – connection to SH residents

Housing Preservation/Weatherization agencies (Rebuilding Together, NRHA)



# How Supportive Housing Projects Might Be Funded - Clark

- Services and Operating funds are granted in 3-year periods, committed over at least a 15-year period.

- Over the years, more of the subsidy needed for operating (in rental assistance) and supportive services should shift to federal sources (HUD vouchers, Medicaid 1115i waiver)

- Peach Project and Green Project use Acquisition/Rehab, Yellow Project is built new with LIHTC

1	Clark - Avg/Year in Fund: \$10M	25% to VLI			Cost	Total # SH units	remaining from avg \$10M
2	Year One	\$ 2,500,000	Peach Rehab	Acquisition/Rehabilitation @15,000/unit, 150 units	\$ 2,250,000	150	\$ 5,250,000
3	Year Two	\$ 2,500,000	Peach Services & Operating	Operating and Services 3 year commitment @25% of 26K/unit	\$ 2,925,000	150	\$ 4,575,000
4	NOTE: in Year Three a 9% Low Income Housing Tax Credit (LIHTC) Setaside for SH is awarded for 150 units, construction takes place in Year 4 and 5, operating and services awarded in Year 6,9,12						
5	Year Three	\$ 2,500,000	Green Rehab	Acquisition/Rehabilitation @15,000/unit	\$ 2,250,000	150	\$ 5,250,000
6	Year Four	\$ 2,500,000	Green Services & Operating	Operating and Services 3 year commitment @25% of 26K/unit	\$ 2,925,000	300	\$ 4,575,000
7	Year Five	\$ 2,500,000	Peach S&Op (2nd)	Operating and Services 3 years @25% of 27K/unit	\$ 3,037,500	300	\$ 4,462,500
8	Year Six	\$ 2,500,000	Yellow Services & Operating	Operating and Services 3 years @25% of 27K/unit for LIHTC 9% project	\$ 3,037,500	450	\$ 4,462,500
9	NOTE: in Year Six the next 9% Low Income Housing Tax Credit (LIHTC) Setaside for SH is awarded, construction takes place in Year 7 and 8, operating and services awarded in Year 9,12,15						

A similar process works in Washoe County at 50 units/project; Northern at 25 units; Rural Regions at 15 units

# Clark - Years 7 – 12, Additional Projects, Funding Renewals

	Avg/Year:				Cost	Total #	remaining
10	\$10M	25% to VLI				SH units	from avg \$10M
11	Year Seven	\$ 2,500,000	Green S&Op 2	Operating and Services 3 year	\$ 3,037,500		
12	Year Seven		Blue Rehab	Acquisition/Rehab @15K/unit 100 units	\$ 1,500,000	450	\$ 2,962,500
13	Year Eight	\$ 2,500,000	Peach S&Op 3	Operating and Services 3 year @25% of 28K/unit	\$ 3,150,000		
14	Year Eight		Blue S & Op initial	Operating and Services 3 year @25% of 28K/unit	\$ 2,100,000	550	\$ 2,250,000
15	Year Nine	\$ 2,500,000	Yellow S&Op 2	Operating and Services 3 year	\$ 3,150,000		
16	Year Nine		Purple S&Op initial	Operating and Services 3 year 100 units	\$ 2,100,000	550	\$ 2,250,000
17	Year Ten	\$ 2,500,000	Green S&Op 3	Operating and Services 3 year	\$ 3,150,000		
18			Gray Rehab	Acquisition/Rehab @15K/unit 75 units	\$ 1,125,000	550	\$ 3,225,000
19	Year Eleven	\$ 2,500,000	Peach S&Op 4	Operating and Services 3 year	\$ 3,150,000		
20	Year Eleven		Blue S&Op 2	Operating and Services 3 year	\$ 2,100,000		
21	Year Eleven		Gray S & Op initial	Operating and Services 3 year	\$ 1,575,000	625	\$ 675,000
22	Year Twelve	\$ 2,500,000	Yellow S&Op 3	Operating and Services 3 year	\$ 3,150,000		
23	Year Twelve		Purple S&Op2	Operating and Services 3 year	\$ 2,100,000	625	\$ 2,250,000

# How Supportive Housing Projects Might Be Funded - Northern

- Services and Operating funds are granted in 3-year periods, committed over at least a 15-year period.

- Over the years, more of the subsidy needed for operating (in rental assistance) and supportive services should shift to federal sources (HUD vouchers, Medicaid 1115i waiver)

- Peach Project and Green Project use Acquisition/Rehab, Yellow Project is built new with LIHTC

	Northern - Avg/Yr \$867,340	25% to VLI	Northern - 25 units/SH Project		75% to SH and Services	Total # SH units	remaining from 75%
10							
11	Year One	\$ 216,835	Acquisition/Rehabilitation @15,000/unit	Year One	\$ 375,000		\$ 275,505
12	Year Two	\$ 216,835	Operating and Services 3 year commitment @25% of 26K/unit	Year Two	\$ 487,500	25	\$ 163,005
13	NOTE: in Year Three a 9% LIHTC Setaside for SH is awarded, construction takes place in Year 4 and 5,						
14	Year Three	\$ 216,835	Acquisition/Rehabilitation @15,000/unit	Year Three	\$ 375,000	25	\$ 275,505
15	Year Four	\$ 216,835	Operating and Services 3 year commitment @25% of 26K/unit	Year Four	\$ 487,500	50	\$ 163,005
16	Year Five	\$ 216,835	Operating and Services 3 year @25% of \$27K/unit	Year Five	\$ 506,250	50	\$ 144,255
17	Year Six	\$ 216,835	Operating and Services 3 yr commitment @25% of 27K/unit for LIHTC 9% project	Year Six	\$ 506,250	75	\$ 144,255

A similar process works in Washoe County at 50 units/project; Clark at 150 units; Rural Regions at 15 units

# How Supportive Housing Projects Might Be Funded – Rural Regions

- Services and Operating funds are granted in 3-year periods, committed over at least a 15-year period.

- Over the years, more of the subsidy needed for operating (in rental assistance) and supportive services should shift to federal sources (HUD vouchers, Medicaid 1115i waiver)

- Peach Project and Green Project use Acquisition/Rehab, Yellow Project is built new with LIHTC

11	Rurals - Avg/ Yr \$500,000	25% to VLI	Rurals - 15 units			Total # SH units	remaining from avg \$1.6M
12	Year One	\$ 125,000	Acquisition/Rehabilitation @15,000/unit	Year One	\$ 225,000		\$ 150,000
13	Year Two	\$ 125,000	Operating and Services 3 year commitment @25% of 26K/unit	Year Two	\$ 292,500	15	\$ 82,500
14	NOTE: in Year Three a 9% LIHTC Setaside for SH is awarded, construction takes place in Year 4 and 5,						
15	Year Three	\$ 125,000	Acquisition/Rehabilitation @15,000/unit	Year Three	\$ 225,000	15	\$ 150,000
16	Year Four	\$ 125,000	Operating and Services 3 year commitment @25% of 26K/unit	Year Four	\$ 292,500	30	\$ 82,500
17	Year Five	\$ 125,000	Operating and Services 3 year @25% of \$27K/unit	Year Five	\$ 303,750	30	\$ 71,250
18	Year Six	\$ 125,000	Operating and Services 3 yr commitment @25% of 27K/unit for LIHTC 9% project	Year Six	\$ 303,750	45	\$ 71,250

A similar process works in Washoe County at 50 units/project; Clark at 150 units; Rural Regions at 15 units

# Summary of Suggested Amendments to SB68

- Add acquisition and rehabilitation of a suitable facility (disused motel) up to a cost of \$15,000 per unit [incentivizes local governments to contribute CDBG, other funds – creates buy in]
  - Add appropriate regional BH policy board member to competitive grant review committee to allocate Supportive Housing and Supportive Services dollars
  - Clarify are 3 year grants with up to 4 renewals; after 4 cycles project may re-enter competitive grants process.
- The grants review process will prioritize applicants that include federal resources in the overall delivery of housing and services (braiding concept) and show capacity to serve vulnerable and disabled Nevadans.



## Regional Behavioral Health Policy Boards and their Role

RBHPBs are composed of:

- community leaders
- law enforcement
- healthcare and treatment providers
- social services,
- family and peer advocates, and others

who bring diverse perspectives to the table and facilitate collaboration focused on improving the behavioral health system in Nevada. Each has a Legislator on the Board.

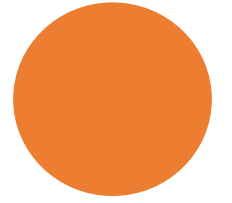
NV has 5 Regional Boards.

The extreme need for supportive housing of many types and for additional affordable housing is an identified priority/need in all regions.

The Boards also recognize that making housing affordable and achieving housing stability, as well as supportive housing, will require different strategies and approaches in rural vs. urban communities.

### **Intent of BDR 303:**

RBHPBs are close to needs/opportunities in their region and appropriate to allocate funds between Supportive Housing and Services and Assistance to Very/Extremely Low Income



# Annual Critical Needs Fund Allocation Process

- Annually, funds are allocated by population served by each of Nevada's 5 Regional Behavioral Health Policy Boards, with a floor of \$500,000 per year per region.
- Regional Behavioral Health Policy Boards annually allocate that region's funds between A) Supportive Housing and Supportive Services and B) Assistance to Very/Extremely Low Income. A minimum of 25% must go to each category
- Funds allocated to Supportive Housing & Services used in priority order:
  - Rental Assistance necessary for SH project to pencil (adequate operating funds) AND
  - Case management and services in conjunction with SH project (joint application for RA and Services)
  - Services for eligible individuals/families not residents of SH
- Funds are allocated through NV Housing Division or through DHHS Grants Management Unit (Supportive Services); NHD and DHHS perform annual compliance reviews



# Definitions

**Supportive services:** Including but not limited to case management, and intensive services delivered at home or through care coordination related to physical and behavioral health, addiction treatment and recovery, trauma recovery, chronic disease management, treatment of intellectual, developmental, and/or physical disabilities, and other tenancy supports.

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**Persons eligible to receive supportive services:** Immediate family members of, and individuals with, a **disabling condition**.

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**Disabling condition:** A diagnosable substance use disorder, serious mental illness, serious emotional disturbance, developmental disability, intellectual disability or chronic physical illness or disability, including the co-occurrence of two or more of these conditions.

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**Supportive housing:** Housing for which residents pay no more than 30% of their monthly income and which offers supportive services to assist at least one member, adult or child, with a **disabling condition** to achieve housing stability.

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**Very low income:** Persons eligible to receive rental assistance or home repair are those below 50% of median monthly gross household income

# SB68 Critical Needs Funding Creates Opportunities and Solutions

- Flexible State dollars can fill gaps left by federal programs with prescriptive eligibility requirements.
- An on-going revenue stream allows for the multi-year planning and construction of projects, as well-as on-going operations.
- To be effective in treating and sustaining in recovery homeless and substance-addicted persons, we need to attract and develop a Supportive Housing 'industry' in Nevada.
- There are great benefits to RPTT payers, including homebuyers, to reducing the presence, impact, and cost of homeless, mentally ill, and addicted Nevadans.
- Thousands of Nevadans are intellectually, developmentally, and physically disabled or have Severe Mental Illness; they cannot live independently but can live high-quality, safe lives with the right housing supports.

SB68 creates Equity. Only businesses and individuals with the resources to purchase property pay a small fee to support those in need.