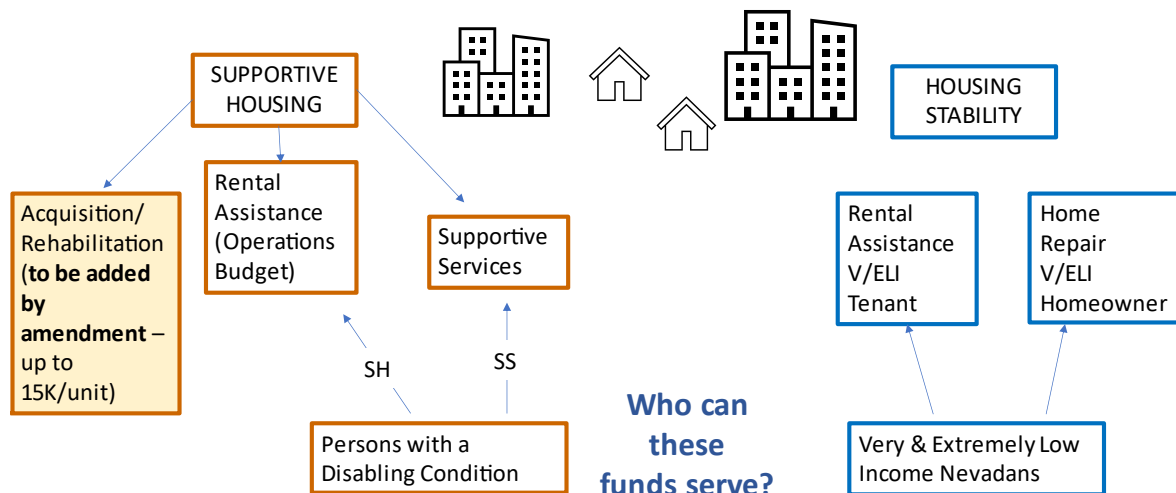


Background information and Intent: It is recognized that multiple agencies, systems, and sources of federal, state, local, and philanthropic funding currently exist that seek to address mental health, substance abuse, homelessness, disabilities of all types, and unaffordability of housing. Creating a revenue stream to establish a Critical Needs fund will leverage these resources, while filling gaps where very and extremely low income individuals and families may not meet other programs’ eligibility criteria, always moving individuals receiving assistance toward other permanent sources of funding and toward greater self-sufficiency. **Importantly, it will allow Nevada to create sustainable supportive housing tailored to multiple populations.**

Proposal: Increase Real Property Transfer Tax by .20/\$500 of sales value. Revenues – the Critical Needs Fund - shall be used to leverage existing federal, state, and philanthropic sources of funding for supportive housing, supportive services, and housing assistance for persons of very low and extremely low income (VL/ELI). This proposal is affordable at the residential and commercial & industrial levels. The tax on a \$400,000 home sale would be \$160; a recent \$16.45M property sale to Microsoft for a data center would have added just \$6,600 to the cost.

How can these funds be used?



Supportive housing combines affordability and supportive services appropriate to the population for which the housing was established – for example as permanent housing for persons with Severe Mental Illness, as supportive sober housing for persons in recovery from addiction, as transitional housing for unhoused persons who require supports while re-establishing their ability to participate in the workforce. In addition, Critical Needs funds not needed to create financial stability for supportive housing projects may be allocated to providing services for VL/ELI individuals and households with a disabling condition. When these families have the supports they need, their participation in the workforce is not threatened, thus they retain housing stability and reduce family stress.

Thousands of individuals and families in Nevada are at risk of suffering behavioral health and addiction challenges **due to the extreme stress of housing instability**. Nevada has the largest gap between the number of affordable (subsidized) units available to Extremely Low Income households and the size of our ELI population. For this reason, and given that in many areas of Nevada providers of supportive housing are not yet established, a minimum of 25% of the Critical Needs Fund for each Behavioral Health Policy Board region will be allocated to Housing Stability and Affordability; it can be used as rental assistance, eviction prevention assistance, or for home repair.

Process and Allocation of Funds:

Annually, the amount of funds that accrue to the Critical Needs Fund will be certified by the Nevada Housing Division and reported to the Regional Behavioral Health Policy Boards.

No more than 10% of the fund annually can be used for administrative purposes by the Nevada Housing Division and the Department of Health and Human Services.

Funds will be allocated commensurate with the population served by the Regional Behavioral Health Policy Board, with a minimum of \$500,000 per region.

Boards will, within 30 days of receipt of the information, make a decision on the percent of funds to be utilized as assistance to persons of VL/ELI (rental/home repair assistance) and the percent of funds to be allocated to supportive housing and supportive services. A minimum of 25% of the funds available shall be allocated to each of the two categories.

Funds allocated as Housing Stability assistance to persons of VL/ELI will be retained by the Nevada Housing Division, which will distribute the funds to the public housing authority that is aligned with each of the Regional Behavioral Health Policy Boards, to be utilized to create and retain housing affordability with priority given to persons of lowest income.

For supportive housing developers and owners to obtain commitments of financing for construction of such projects, 15-year commitments of rental assistance, to assure operational feasibility, and of funding for supportive services, to provide essential tenancy supports, are necessary. Therefore, the Critical Needs funds may be awarded as three-year grants, committed for a 15-year period, with the condition that proper utilization of the funds and effective service delivery is reviewed annually. An amendment will be proposed upon bill introduction to allow for acquisition and rehabilitation of existing buildings (e.g. disused motels), with a cap of \$15,000/unit. This will have the double benefit of revitalizing existing properties and creating supportive housing at a lower cost than through new construction. It is anticipated that Critical Needs grants will fill funding gaps and leverage substantial other sources of rental assistance (e.g. Housing Choice Vouchers) and supportive services.

Clark Regional Behavioral Health Policy Board – SB68 - Summary Describing bill with amendments to be added upon introduction

Funds allocated to supportive housing will be used in the following priority order: 1) as a commitment of rental assistance to supportive housing projects in an amount necessary to make the operations of that housing financially sustainable and a commitment of funds for services provided in conjunction with those supportive housing projects, and 2) for services provided to individuals and families eligible to receive supportive services but who are not residents of supportive housing developments.

Funds identified in 1) above will be retained by the Nevada Housing Division, which will conduct a competitive process to award funds to a partnership of the owners of supportive housing (as rental assistance) and the provider of supportive services for that housing (as services funds). Funds may be committed for a 15-year period, and allocated as three-year grants, subject to annual performance review. The partnership may re-enter the competitive process after conclusion of its renewal cycle. Funds identified in 2) above will be transferred to the Department of Health and Human Services to be allocated through an annual competitive grants process. Funds for the purpose of 2) above may be awarded for up to a 3-year period.

To maximize the leverage of other sources of funds, it shall be a requirement Federal HUD Housing Choice Vouchers, and Aging and Disability Service Division assistance. Similarly, projects to which rental assistance and supportive services dollars are awarded must demonstrate utilization of other sources of funds (e.g. HUD Project Based Vouchers, Medicaid). Competitions will be conducted for applications in each Regional Behavioral Health Policy Board jurisdiction; a member of the Board will serve on the application review committee.

Definitions

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

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.

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.

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

Very low income: Persons eligible to receive rental assistance or home repair are those below 50% of median monthly gross household income; priority will be given to extremely (30% AMI or below) low income persons.