



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: December 7, 2017

Staff Contact: Lee Plemel, Community Development Director

Agenda Title: For Discussion Only: To hear a presentation from the Nevada Rural Housing Authority on the results of the 2017 Housing Study. (Bill Brewer, Nevada Rural Housing Authority; Lee Plemel, lplemel@carson.org)

Staff Summary: The Nevada Rural Housing Authority (NRHA) had a housing study conducted in 2016/17 focusing on rural areas throughout Nevada, including Carson City. The study includes housing market population and household counts, household breakdown by income and age groups, employment and wage data, and other information. The NRHA serves as Carson City's housing authority.

Agenda Action: Other/Presentation

Time Requested: 30 minutes

Proposed Motion

[No action required.]

Board's Strategic Goal

Quality of Life

Previous Action

N/A

Background/Issues & Analysis

The Nevada Rural Housing Authority (NRHA) had a housing survey conducted in 2016/17 focusing on rural areas throughout Nevada, including Carson City. The study includes housing market population and household counts, household breakdown by income and age groups, employment and wage data, and other information. The NRHA serves as Carson City's housing authority.

Representatives of the NRHA will provide a presentation (attached) and be available to answer questions.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

N/A

Attachments

NRHA Housing Study presentation slides

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Housing Carson City

Providing Affordable and Work Force Housing Solutions



About Nevada Rural Housing Authority (NRHA)

- NRHA was created by the State Legislature in 1975, was made independent of the State in 1995, and its service territory and roles were enhanced by the Legislature in 2005
- NRHA is Carson City's Housing Authority
- NRHA administers the HUD Housing Choice Voucher program throughout rural Nevada; there are approximately 650 active vouchers in use in Carson City
- NRHA administers a mortgage program that provides down-payment assistance to homebuyers; over \$100MM in mortgages have been originated for over 600 homebuyers over the last 10 years here in Carson City alone
- NRHA's Community Development Group builds, rehabilitates and manages almost 500 units across rural Nevada, 179 units of which are located here in Carson City

NRHA's Housing Study

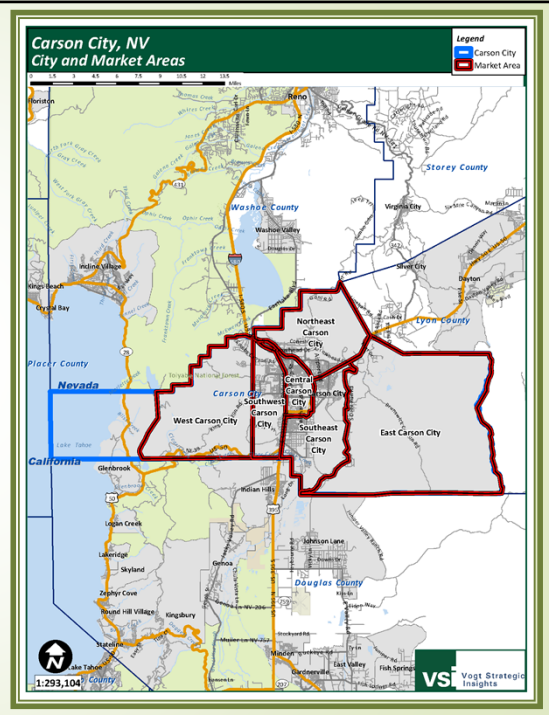
- NRHA, having recognized the need for the collection of housing and economic data in the state's rural areas, conducted its first housing study in 2005 which encompassed 10 rural counties along the I-80 and SH-50 corridors across northern and central Nevada.
- From 2012 to 2015, we conducted three major housing studies that included our 2014 Rural County Housing Study, the 2014-15 Carson City Area Study, and the 2015 Northern Nevada Housing Demand Study.
- In late 2016, and into 2017, we initiated a comprehensive update of those three studies which now focuses on all rural areas situated throughout Nevada's 17 Counties. These studies identified 35 unique rural housing markets situated throughout the state.
- Our goal is to utilize our present model as we move forward through time, and update these Studies as housing conditions change in those rural areas

The Value of Our Housing Studies

- Our latest housing study model is by far the most concentrated and comprehensive to-date, including:
 - County/Housing Market population and household counts
 - Population/household breakdown by income bands and age groups
 - The qualification and identification of "OVERBURDENED" Renter and Homeowner households
 - Area employment and wage data
 - An overview of existing "For-Sale" and "Rental" housing, and housing market conditions
 - A survey of existing rental properties, including numbers of units, unit sizes occupancy rates, and more
 - A conservative analysis of the current and future need for additional "Rental" and "For-Sale" housing

Carson City's Defined Housing Markets

- Six specific housing markets were identified within Carson City
 - The **Central City**
 - The **Northeast**
 - The **East**
 - The **Southeast**
 - The **Southwest**
 - The **West**



What we learned from our Carson City Housing study . . .

- Carson City has over 9,500 renter households
- Over 3,300 of the **Renter Households** in Carson City pay more than 35% of their income for housing, and are thereby considered to be "Overburdened"
 - **Over 1,940 of these Renter Households are severely cost burdened** (paying more than 50% of their annual income toward housing costs)
- Over 2,860 of the **Homeowner Households** in the City pay more than 35% of their income for housing, and are thereby also considered to be "Overburdened"
 - **Over 1,100 of these Homeowner Households are Severely Cost Burdened** (paying more than 50% of their income for housing)

What we know about Rental Housing in Carson City. . .

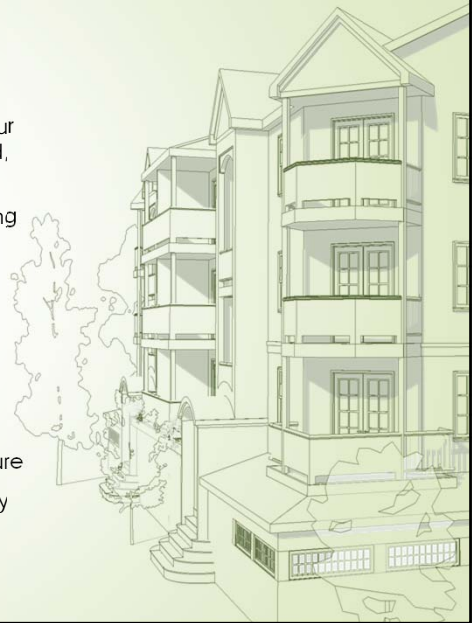
- From 2010 to 2016 the supply of multi-family housing increased by only 114 units
- From 2010 to 2016 Renter Households have increased by almost 10% (an estimated 830 households over this 5 year span), placing even greater pressure on the City's rental housing market
- The present **MEDIAN GROSS MARKET RENT VALUE** for an average (834 sq. ft.) 2 bedroom garden apartment in Carson City is \$1,035 per month. The monthly household income required to rent this average apartment (*using 30% of the gross monthly income, and a typical utility allowance of \$68.00/month*) = **\$3,677/month** or **\$44,124/year** (*Total Market Rate Rental households in Carson City = 3,552*)
- The present **MEDIAN GROSS WORKFORCE RENT VALUE** for an average (834 sq. ft.) 2 bedroom garden apartment in Carson City is \$818 per month. The monthly household income required to rent ~~an~~ this average apartment (*using 30% of the gross monthly income, and a typical utility allowance of \$68.00/month*) = **2,954/month** or **\$35,448/year** (*Total Workforce rental households in Carson City = 2,185*)
- The remaining renter households not included in these two categories, and earning less than **\$30,000** annually, totals **3,791** Renter Households, of which **3,041** are economically challenged to some degree (*paying more than 30% of their gross monthly income for rent and utilities*)

What we know about Single Family Housing in Carson City. . .

- From 2010 to 2016 the supply of single family housing has increased by only 139 homes. There is an additional demand of 60 units/year for single-family homes, while permits for new homes have averaged just over 36/year for the past two years. Unless permits increase significantly in the near term, this data indicates that the supply of housing in the City may not keep pace with current and expected demand for single family homes
- The Homeowner Households earning less than \$40,000 annually totals 4,843 Households, of which 3,594 are paying more than 30% of their gross monthly income for rent and utilities.
- **The Median Home Value for a home in Carson City in January 2017 was \$241,921** (*while the present median asking price for a Single Family Home in Carson City is \$307,000*). **Monthly income required to purchase a home at the present "Median Home Value"**, with a minimum 5% down payment of \$12,096, using a 5% interest rate on a 30 year mortgage, adding Taxes, Insurance and MIP = **\$4,898/month** or **\$58,770/year**, while the "Area Median Household Income" for Carson City at this time is \$51,648/Year.

In addition . . .

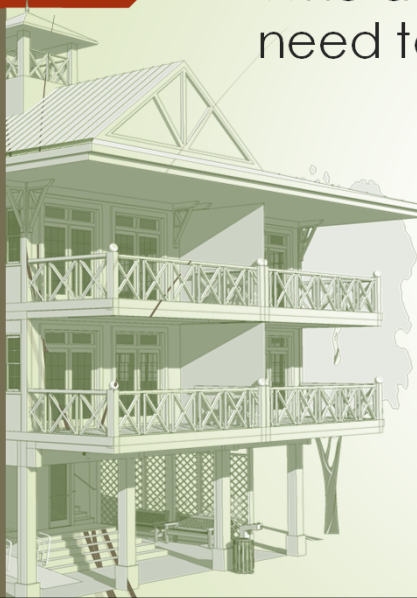
- It has taken NRHA over a year to realign its overall housing study initiative. Accordingly, the data in our most recent housing study is now over 6 months old, and the housing markets have only grown tighter
- Occupancy is nearly 100% across the City for existing rental properties, and most have waiting lists
- Housing markets in surrounding areas including Reno/Sparks, Dayton and Douglas County are also experiencing very tight market conditions
- Rents are increasing rapidly with lower-income tenants being forced out of current residences
- Our study indicates a current need for almost 1,350 rental units in Carson City within the immediate future
- The “Overburdened Populations” within Carson City are now growing at a rapid pace.



Who does the new Rental Housing need to serve?

Of the 1,350 new units of multi-family housing needed:

- 425 units are needed at market rate
 - Serving households at or above 80% AMHI (approximately \$50,300/year for a family of 4)
- 270 units are need to serve workforce needs
 - Serving households between 50% and 80% AMHI (approximately \$31,450-\$50,000 for a family of 4)
- 653 units are needed at subsidized/affordable rates
 - Serving households less than 50% AMHI (approximately \$31,000 or less for a family of 4)



What can be done?

- The City currently has two task forces organized – one to examine the need for transitional housing, and one to examine the need for affordable housing
 - Encourage developers/providers to participate in these forums and help to meet the defined demand
 - Task these groups with developing policy recommendations to the City's Board of Supervisors that will enhance the development of affordable housing
- Federal and State assistance is available through tax credits, HOME Funds, and State Trust Funds. Although these resources are limited they should be tapped wherever possible (*Without assistance of some type, demand for workforce or subsidized/affordable housing will NOT be met*)
- Make the public aware of the city's housing concerns by providing a clear understanding of the City's housing needs, and its goals to address its housing needs.

The City could assist in the creation of more affordable housing by:

- Grant priority to, and expediting approval of plans and specs relating to the development of affordable housing
- Donating and/or the Long-term leasing of City-owned land to qualified non-profits, public entities, and/or private developers for the specific development of workforce and affordable housing
- Establishing a Trust Fund to support affordable housing initiatives
 - This Trust Fund would be funded through an additional fee to be paid by developers based on square feet of habitable space, or other basis
- Providing density bonuses and development impact cost reductions specifically for:
 - Affordable housing developments
 - Private developers who include a portion of the development for affordable housing
 - Providing other incentives for starter-home developments, like the reasonable and responsible lowering of building restrictions and costs imposed by government that directly impact project development costs, requiring the recipient of these adjustments to substantiate that the cost savings are passed on to the ultimate user or purchaser of the housing in such a development

NRHA stands ready to assist Carson City in meeting its housing needs

Southgate, Carson City

A 140 Unit Independent Living Facility for Seniors



Richards Crossing, Carson City

A 39 Unit Transitional Housing Community for the Homeless

