

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
February 28, 2005**

The Committee on Government Affairs was called to order at 9:10 a.m., on Monday, February 28, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

Ms. Bonnie Parnell (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Susan Scholley, Committee Policy Analyst
Eileen O'Grady, Committee Counsel
Nancy Haywood, Committee Attaché

OTHERS PRESENT:

J. David Fraser, Director, Nevada League of Cities and Municipalities
D. Gary Longaker, Executive Director, Nevada Rural Housing Authority
Jenny Welsh, Policy Analyst, Nevada Association of Counties

Chairman Parks:

[The meeting was called to order and roll was called.]

Today there is a presentation from the Nevada Rural Housing Authority, and we would like to start with that.

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities:

[Introduced himself, Gary Longaker, and Jenny Welsh.]

Mr. Longaker will take the lion's share of the presentation time and report to you about the mission and operations of the Nevada Rural Housing. When he has concluded, Jenny Welsh will then make some brief comments as well.

Many of you are familiar with the Nevada Rural Housing Authority, and some of you have commented that you are looking forward to learning more about it today. The Authority was established in 1972 with the mission of developing affordable housing programs to improve the quality of life in rural areas of Nevada. Originally an agency of state government, it became a private entity in 1995 and is governed by a board of commissioners that are appointed by the Nevada League of Cities and the Nevada Association of Counties (NACO).

In 2003, the Board of Commissioners of the Nevada Rural Housing Authority made a commitment to expand the agency's program to better serve their constituents. As part of that, they appointed a new management team, with Mr. Longaker as the Executive Director, and gave them a broad charge to not only stabilize the existing operations but also to explore new programs and to diversify the agency's revenue base. I will turn it over to Gary [Longaker] after one further comment.

Since 2003, the Authority has made some great strides, and I compliment Mr. Longaker for some real visionary leadership that he is providing over at the Authority. We are very pleased at the League and NACO with the job that he is doing over there.

D. Gary Longaker, Executive Director, Nevada Rural Housing Authority:

[Introduced himself.] With us today is Terry Smith, the director of our HUD [United States Department of Housing and Urban Development] Section 8 Program that has made a remarkable turnaround there. We also have Ian Mennie, one of board members from Carson City. Then we have Ernest Adler, our counsel for the Authority.

The Authority was originally chartered as a State of Nevada Authority in 1972, created by legislation in 1973, and originally had operated under the Department of Business and Industry as a housing authority, as defined under the *Nevada Revised Statutes* 315.949.

The Authority was separated by legislative decree in 1995 and became a political subdivision or governmental unit, and that is when its board was appointed by either Nevada Association of Counties or the Nevada League of Cities. One further member is appointed by both of them as a participant in our programs. Our board members are Roger Mancebo from Lovelock, Tom Cook, who is our vice chairman, from Gardnerville, Commissioner Gwen Washburn from Churchill County, Willis Swan from Fallon, and Ian Mennie, our newest board member, from Carson City.

Presently, the mission of NRHA [Nevada Rural Housing Authority] is to develop housing programs in rural areas of Nevada with emphasis placed on rental assistance, construction, rehabilitation, and maintenance of housing units. Unfortunately, NRHA has not been responsive to even the basic needs in the past, let alone assisting the rural areas in planning for their local housing needs. What we presently administer and have for a number of years is a HUD Section 8 Voucher Program. That is rental assistance. We also own and manage seven rural developments or subsidized apartment complexes throughout rural Nevada. This is a very small portfolio consisting of approximately 250 units.

We also administer what is called a Tenant-based Rental Assistance Program. The monies from that program are HOME Funds that NRHA gets from either the Nevada Housing Division or from the Western Nevada Housing Consortium. They allow us to offer rental assistance that is very similar to the guidelines of the HUD Voucher Program to elderly or disabled families for at least one year. What we hope to do in those cases is, when an opening comes up in the voucher program, take that family from Tenant-based Rental Assistance and put them in the voucher program.

The Board, in 2003, made a commitment to have a focus on the future. They wanted the Authority to become more responsible to the rural

communities of the state. Most state or multi-jurisdictional authorities across the nation have, as a part of their mission statement or vision, that they will improve the quality of life for the populations they serve. The first thing that our staff had to do was to straighten up some of the problems that we had in our existing programs. That has been done. We are now fully leased in our voucher program. When I got here, approximately two years ago, we were leased with funds for about 1,100 units to help those families. We are now 100 percent leased at 1,543.

[D. Gary Longaker, continued.] The department has been completely reorganized, and, last year, we were designated as a high performer, receiving very high marks on both our management audits from HUD. Our finance department has been completely turned around. We received an unqualified audit last year. A technical committee that we formed selected and installed a new software system, and that has gone a long way towards improving our efficiency and effectiveness in the administration of all of our programs and operations.

All of our multi-family properties are functioning well now. Many have been rehabilitated to some extent. All are leased out. We have new managers in some cases, and all the properties have new management and maintenance plans. In the not-too-distant future, in addition to the voucher program, we want to implement the family self-sufficiency and the HUD Section 8 home ownership programs. These are programs that help lower-income families find true independence. They are not a handout; they are a hand up. At our multi-family properties, we also want to implement work programs and assisting those families in working towards self-sufficiency by providing a greater scope of services for those complexes, especially where we service the elderly.

We do have a Computer Learning Center here, the Southgate Apartments [senior residence] in Carson City, that was initiated and began operating about four years ago. We are working with them right now in helping them achieve independence. They are going to be forming their Community Housing Development Organization (CHDO) and IRC [Internal Revenue Code] 501(c)(3). One of our goals for the future is to open computer learning centers in all of our multi-family properties and in our communities across the state. We have also recently filed to form a community housing development organization, IRC Section 501(c)(3) status, and, as soon as that is complete, that will act as our development arm for the rural communities.

We have hired a full-time Community Development Director. She recently headed the Northern Nevada Community Housing Resource Board, which is a CHDO. She had been there since 1998. Her first focus will be the development

of supportive programs and services for our senior residents at Southgate. What we want to do is to expand those services to our other properties. She has extensive grant writing and planning experience, which she will share with our rural communities and cities.

[D. Gary Longaker, continued.] Last year, in June, we held a "Financing and Rural Housing in Nevada" meeting. We had experts come in from around the country to discuss possible programs or opportunities and the impediments that we might face in developing those programs for the future. Both the Department of Housing and Urban Development and Rural Development (HUD) participated in that program and gave us overviews of programs that we might provide in rural communities. In the last six months, we have received, through some hard work on the part of the staff, the following grants: a \$200,000 grant from HUD for a Multi-family Housing Services Coordinator, and funds from the Western Nevada Housing Consortium, both for the tenant-based rental assistance program that I mentioned and a new program that we just implemented, a security deposit program to, again, help those low-income families get into rental housing.

We were also able to raise funds in the last year to help us do a housing assessment, which is nearly complete. We have begun a strategic planning process. When I talk about the board making a greater commitment in developing a vision for the future, that is exactly what they did two years ago when they began bringing in new staff. Our next step is to finish our strategic planning process. We have already developed a draft mission statement, a vision statement, and a list of core values. We are going through a SWOT [Strengths, Weaknesses, Opportunities, Threats] analysis right now to identify our strengths, our weaknesses, and the opportunities or impediments to growth. From this analysis, we will develop a business plan for the future. Our principle focus is how we can best respond to the needs in rural areas.

We know that there are many communities that are not incorporated, or counties that are severely lacking in staff. We now will have two community development coordinators working with NRHA [Nevada Rural Housing Authority], one I recently mentioned and one who is a consultant who has over 20 years of experience in all facets of planning and community development—both single-family and multi-family—and grant writing. He is the one that we commissioned to do our housing analysis or housing assessment. That statewide housing assessment that we have done is in final draft form. Inadvertently, I think that you will find the first part of that in your packet ([Exhibit B](#)) that will provide a summary of the Authority. If any of you want a copy of the assessment, once it is complete, please don't hesitate to contact the office.

[D. Gary Longaker, continued.] We are very excited about the growth and opportunities we see in the State of Nevada. I am not telling you something that you don't already know. Nevada is the fastest-growing state on a percentage basis and has been for over a decade. Most of the rural communities and counties can use help in evaluating what housing they have now and what housing they will need for the future. That is assistance that we feel that we will be able to provide at some point in the future, but primarily through capacity-building.

We feel that there are other ways to help those communities as well, such as assisting them in submitting for grants. We are not entirely certain what the scope of services is that we will provide in the future. That is going to be derived through the development of our business plan and through a very thorough analysis. We do know that there are some excellent partners in the state that we can work with, some of whom we have been working with already, such as the Department of Business and Industry, the Reno Housing Authority, the Western Nevada Development District, the Western Nevada Housing Consortium, and even Rite of Passage, just to name a few of the people or groups that we work with now.

We also have a good working relationship with the Department of Corrections. We have substantially increased the role of our trustees with NRHA [Nevada Rural Housing Authority]. The trustees have provided a great deal of work and rehab in our administration building and also in our multi-family properties. They have helped us put in a watering system, put on siding, build some built-in stairs on one of the properties, repair electrical work, and do general maintenance. That is a program that we are also hoping to expand in the future. Part of our plan is to work side by side with the developers in the communities, where we are asked, and to assist in every aspect of community development and planning.

There is a five-page summary that I have provided you ([Exhibit C](#)) about the Authority, and there is also a Summary Highlights of Proposed Legislation ([Exhibit D](#)).

Jenny Welsh, Policy Analyst, Nevada Association of Counties (NACO):

[Introduced herself and read from [Exhibit E](#).]

At the request of the Rural Housing Authority and as approved by our board of directors, NACO has asked for BDR 598. We believe that this legislation, if passed, will assist the citizens of Nevada with affordable housing.

[Jenny Welsh, continued.] The bill, yet to be introduced, has two primary concerns. It provides clarification of Nevada Rural Housing Authority's jurisdiction to allow the Authority to do work in places such as Laughlin, Mesquite, Searchlight, and Gerlach. Second, it would clarify the Housing Authority's ability to make home mortgages to persons of low and moderate income, borrow money, make and issue bonds, and make loans or grants.

Thank you for the opportunity to speak in support of the Rural Housing Authority. I look forward to working with you on BDR 598 when it comes through to this Committee.

Assemblyman McCleary:

You have an organization to help the rural communities with affordable housing. What is the relationship between you and the Reno Housing Authority?

D. Gary Longaker:

What we do for the Reno Housing Authority is through the administration of our voucher program. We inspect all of our units to be sure they meet housing quality standards. That means they are safe, decent, and sanitary. The Reno Housing Authority has contracted with us to provide the inspections in the City of Reno. That is one way that we work with them. When there is training in the voucher program, very often we will join together and attend the trainings together.

Assemblyman McCleary:

Then you do consider Reno to be a rural community?

D. Gary Longaker:

No, sir. We provide, under a contract, inspections for the houses they have in their voucher program, but that is all we do.

Assemblyman McCleary:

They are not properties that you are carrying?

D. Gary Longaker:

No, they aren't. They are administered by the Reno Housing Authority.

Assemblyman Claborn:

On HUD [United States Department of Housing and Urban Development] Section 8, your rural assistance program, how do you acquire these homes to begin with? Is it the individual that has a second home that would let you do that under HUD Section 8?

D. Gary Longaker:

There are two areas here. Under the present voucher program, these aren't our homes. These are families who are participating in rental assistance. It started in the 1970s under the HUD Section 8 certificate program, and it has now become the HUD Section 8 voucher program. The family qualifies for the program based on family size and income. Once they are qualified, they get a voucher to go out and find a unit. They may rent a home where a home is available; they may rent an apartment; they may, in fact, rent a mobile home. These are not homes that they own. They are simply receiving rental assistance as opposed to being in an apartment complex that is subsidized.

Assemblyman Claborn:

My question is, do you have the homes available? The participants eligible for the assistance had to find homes themselves?

D. Gary Longaker:

Yes, they have to find a place to rent.

Chairman Parks:

Do you get landlords who approach you and say they have a property available that you could direct families to? Some potential HUD Section 8 client?

D. Gary Longaker:

Yes. That is one of the ways that the program works. We have been administering the program for approximately 30 years in the state. Landlords become aware of it and can contact the Authority to let us know that they do have units available, whether single-family or apartments. Our inspectors then go and inspect the units to make certain, if a family applies at the unit, it meets the standards I spoke of.

Assemblywoman Pierce:

Do you set the guidelines for the HUD Section 8 housing, or is that given to you by the federal government?

D. Gary Longaker:

That is given to us by the federal government, the U.S. Department of Housing and Urban Development (HUD) They set the income limits, as an example, or they set the rental limits. The rental limits are based on the size of the family.

Assemblywoman Pierce:

Those are set across the country, or are they set for different states and different economies?

D. Gary Longaker:

They are set for different economies. For instance, you will have a different rent for Carson City than you would for Lovelock. Again, those are published by the United States Department of Housing and Urban Development.

Assemblywoman Kirkpatrick:

We have a similar program in North Las Vegas. They work with developers who actually gain the homes. We offer an education program. I don't see in your handouts that you are actually teaching them to save their money or that they need to allocate certain money to repair things. I would like you to expand on that.

D. Gary Longaker:

This is one of the programs that the Authority had not implemented in the past. It is one, although we haven't finished our strategic planning process and the development of our business plan, of the two programs that we want to implement. The two are the Family Self-sufficiency Program that you are talking about, which teaches a family over a five-year period how to get to complete independence, and coupled with that, we would like to implement the HUD Section 8 Homeownership Program, where the funds used for rent are, in fact, applied toward the purchase of a home.

We haven't implemented those plans yet. We may very well, when we do implement the programs, partner with someone like the Reno Housing Authority I was talking about, because they have implemented the program. We would partner with someone doing it now.

Chairman Parks:

Are most of the communities around the state supportive, welcoming, and accepting of the work that you do? Do you find that you are generally very well accepted?

D. Gary Longaker:

I guess I would answer that in two ways. We really aren't very well known except for the administration of the programs, but in the administration of the voucher program, we do have a good reputation and are accepted because we are providing assistance to those families. It is also a way to provide a boost to the economy by helping maintain those units. Everything that I have heard since

I have been here is that the agency or the Authority has a good reputation; it is just that we aren't very well known because of the limitation of our programs.

Chairman Parks:

You did mention one of your programs that you said was operating here in Carson City, the Computer Learning Center. Could you comment a little more on that and how that relates to your overall rural housing mission?

D. Gary Longaker:

We have seven properties that are either HUD subsidized or subsidized through rural development. Long before I got here, approximately five years ago, they went through a rehabilitation of Southgate Apartments, a senior complex here in Carson City. One of the things that HUD asked for at that time, as a condition of having the rehabilitation, was that we put in a Computer Learning Center. A Computer Learning Center was implemented there; it's been operating for about four years and provides a host of training services. First and foremost, it is for the elderly at the complex, but it has expanded so that anyone who wants to come in and participate in the training, can. That was the entity I was talking about that hopes, at some particular time, to become an independent entity. It is based at Southgate right now and provides services to the elderly on how to use a computer system, how to get on the Internet, and things like that.

Chairman Parks:

We have the State of Nevada Housing Division. How do you work with that organization?

D. Gary Longaker:

We administer, as I had mentioned, some of the HOME Funds that come down. The Nevada Housing Division provides us with some of those HOME Funds such as for the Tenant-based Rental Assistance Program. We also get some of those funds from the Western Nevada Housing Consortium, which was formed by the Western Nevada Development District. We have a working relationship with the Nevada Housing Division.

Chairman Parks:

That is a close, almost daily type of relationship?

D. Gary Longaker:

The Nevada Rural Housing Authority has been working with the Nevada Housing Division for a number of years.

Chairman Parks:

As you are quite aware, the housing affordability in both Clark County and Washoe County is becoming less attractive. That is probably going to lead to pressures being placed elsewhere for people who need to find affordable housing. They are saying, at the moment, that the median home price is \$84,000 over the affordability level of a median income in the state. Do you see heavier pressures being put on rural communities and demands for your services?

D. Gary Longaker:

Yes, I do. One of the things that our board did at the last board meeting was to hire a professional consultant to help us develop affordable housing programs under the Bureau of Land Management's new program that came out last April. He will be joining us within the next couple of weeks. The rural areas suffer from the same problem of affordability as the metro areas do. This is one of the areas with which we think we might be able to help the communities in the future—how to develop those particular programs.

We also hope, at some particular time, to develop some programs with the Indian tribes. Again, the Governor, in his State of the State, had made mention of setting aside Bureau of Land Management (BLM) money where the purchase of a home, if I recall correctly, would not take into account the cost of the land, and would, thereby, make the homes much more affordable. This is one of the things that the company that we've hired started looking at approximately seven months ago. This is in the very early draft stage right now.

Chairman Parks:

There have been a lot of numbers thrown around. Perhaps the latest one has been that new homes are selling for roughly \$300,000 in the Las Vegas Valley. For a family to qualify to buy one of those homes, they would need well in excess of a \$60,000 per year salary or combined salary in order to afford such homes. That certainly underscores the fact that there will be a migration out of some of our larger and faster-growing cities to look for housing availability elsewhere. Thank you all for what you are doing to alleviate that.

Assemblyman Grady:

To help answer one of the questions that you asked about how they are received in the rural areas, I should first say that I was on their board of directors many years ago. When I was with the Nevada League of Cities and Municipalities, I helped appoint some of the people.

Also, I have been associated with a group in Yerington for the past 20 years that owned a senior citizen complex as a nonprofit corporation, but it was

managed, all that time, by Nevada Rural Housing. We had been in conversations for quite some time with Nevada Rural Housing about taking that project over. Because of management within Nevada Rural Housing, we would not do that. I am very pleased to say that, since Gary [Longaker] has come on board and made some changes, we recently, as recently as December 2004, turned our operations completely over to them, including ownership of that complex. I think that the expertise that they have brought has really been noticed in the rural areas, and they are getting good support, I think, from the rural areas now.

Chairman Parks:

I asked that question for a lot of different programs and projects. In application, there is that "NIMBY" ["not in my backyard"] effect. I was just curious about how accepting many of the communities were.

If there are no further questions or comments, we will continue. I do have two bill drafts for introduction by our Committee.

- BDR 20-334: Revises the provisions governing the frequency of redistricting of County Commissioner Districts in larger counties. (Assembly Bill 149)

ASSEMBLYMAN McCLEARY MOVED FOR COMMITTEE
INTRODUCTION OF BDR 20-334.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Parnell was not
present for the vote.)

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- BDR 28-506: Revises provisions to change the limit for public works projects subject to prevailing wage in certain smaller counties. (Assembly Bill 148)

ASSEMBLYMAN GRADY MOVED FOR COMMITTEE
INTRODUCTION OF BDR 28-506.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Parnell was not
present for the vote.)

Chairman Parks:

Today is also the last day for submitting bill draft requests. I have a ton of them myself. It doesn't appear that we have any ready at this moment that would relate specifically to our Committee or fall under its purview.

We do have one that the City of Boulder City had asked for, and we are still looking at that. It deals with their El Dorado Canyon generating facility. I am thinking that that one will end up in a different committee. We will check on that later this morning. We may need to call a meeting "behind the Bar" during Floor session if we have something.

Assemblyman McCleary:

If we had a committee bill draft that came before us that didn't pertain to the section of law that we have jurisdiction over, we could still introduce it, is that correct? I just want to get your opinion on this. We can still introduce it; it would just have to get rereferred to a different committee. Am I correct in that?

Chairman Parks:

Ms. Eileen O'Grady [the Committee's Legal Counsel] is looking at that. I know that we did have one of our bill drafts that ended up going to another committee. I think that the general rule is that we only request bill drafts that apply specifically to our jurisdiction.

Assemblyman McCleary:

I asked this question because I had heard that, if we find something that needs to be corrected, we can request a bill draft. If it doesn't pertain to our section of the law, we can ask that it be rereferred. I just wanted to clarify that for my understanding.

Chairman Parks:

[After conferring with Eileen O'Grady] We can. I guess we can expect to meet "behind the Bar."

With that, I don't have anything further this morning. I did have a bill that was close to being ready for a work session, but I am going to hold that as there is still a question or two.

Assemblyman Goicoechea:

I do have the amendments back for Assembly Bill 80. I'll take it to the proponents. We might be able to do something with that one whenever you are ready.

Chairman Parks:

Thank you, Mr. Goicoechea. If there is nothing else to come before the Committee, the Committee is adjourned [at 9:49 a.m.].

RESPECTFULLY SUBMITTED:

Nancy Haywood
Committee Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: ASM Committee on Government Affairs

Date: Feb.28, 2005 **Time of Meeting:** 9:00 a.m.

Bill #	Exhibit ID	Witness	Dept.	Description
	A	N/A		Agenda
	B	D. Gary Longaker		NRHA: Survey by NACO and Nevada League of Cities and Municipalities
	C	D. Gary Longaker		Overview of NRHA
	D	D. Gary Longaker		Summary of Proposed Legislation, NRHA
	E	Jenny Welsh		Testimony