

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

**Eighty-First Session
April 6, 2021**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:07 a.m. on Tuesday, April 6, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblywoman Selena Torres, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Annie Black
Assemblywoman Tracy Brown-May
Assemblywoman Venicia Considine
Assemblywoman Jill Dickman
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Susie Martinez
Assemblyman Andy Matthews
Assemblyman Richard McArthur
Assemblywoman Clara Thomas

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6
Assemblywoman Elaine Marzola, Assembly District No. 21
Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1
Assemblywoman Rochelle T. Nguyen, Assembly District No. 10
Assemblyman P.K. O'Neill, Assembly District No. 40



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Erin Sturdivant, Committee Counsel
Judith Bishop, Committee Manager
Kyla Beecher, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Anne Johnson, Principal and Managing Member, Sparkflight Studios, Henderson, Nevada
Sarah Adler, representing Nevada Housing Coalition; and Silver State Government Relations
Emily Paulsen, Executive Director, Nevada Homeless Alliance
Warren Hardy, representing Urban Consortium
Eric Novak, President, Praxis Consulting Group; and Treasurer, Nevada Housing Coalition
William Brewer, Executive Director, Nevada Rural Housing Authority
John Klippenstein, State Director, Faith in Action-Nevada
Tess Opferman, representing Nevada Women's Lobby
Joanna Jacob, Government Affairs Manager, Clark County
Will Pregman, Communications Director, Battle Born Progress
Gillian Block, representing Nevada Coalition of Legal Service Providers
Marlene Lockard, representing Service Employees International Union 1107
Jared Luke, Director, Government Affairs, City of North Las Vegas
Doralee Uchel-Martinez, Private Citizen, Reno, Nevada
Peter Guzman, President, Latin Chamber of Commerce
Nat Hodgson, CEO, Southern Nevada Home Builders Association
David Goldwater, representing Nevada Home Builders Association
Brian Gordon, Principal, Applied Analysis
Matthew Walker, representing Southern Nevada Home Builders Association
Lindsay Knox, representing Builders Association of Northern Nevada
David Dazlich, Director, Government Affairs, Vegas Chamber
Jonathan Leleu, representing National Association of Industrial and Office Properties
Christine Hess, Executive Director, Nevada Housing Coalition
Paul Catha, Political Organizer, Culinary Workers Union Local 226
Bruno Landivar, representing Nevada Hispanic Legislative Caucus
Hope Tingle, Private Citizen, Carson City, Nevada
Jimmy Lau, representing Nevada Contractors Association
Aaron West, CEO, Nevada Builders Alliance
Nicole Bloom, Division President, Richmond American Homes of Nevada
Alexis Motarex, Government Affairs Manager, Nevada Associated General Contractors
Dan Morgan, CEO, Builders Association of Northern Nevada

Zach Conine, State Treasurer
Miles Dickson, Program Director, Nevada GrantLab
Paul J. Moradkhan, Senior Vice President of Government Affairs, Vegas Chamber
Vinson Guthreau, Deputy Director, Nevada Association of Counties
Shelly Capurro, representing Nye County
Tiffany Tyler-Garner, Ph.D., Executive Director, Children's Advocacy Alliance
Ryann Juden, City Manager, City of North Las Vegas
Connor Cain, representing Las Vegas Global Economic Alliance
Nicole Rourke, Director of Community and Government Affairs, City of Henderson
Kelly Crompton, Government Affairs Manager, City of Las Vegas
John A. Ritter, Chair, Nevada Advisory Council on Federal Assistance; and
representing Council for a Better Nevada; and Ritter Charitable Trust
Tony Sanchez, Executive Vice President, NV Energy
Shane Piccinini, Government Relations, Food Bank of Northern Nevada
Alex Bybee, representing Communities in Schools of Nevada
Barry Duncan, Government Affairs Representative and Analyst, Nevada Taxpayers
Association
Meredith Levine, Director of Economic Policy, Guinn Center
David Clyde, Associate General Counsel, Regional Transportation Commission of
Southern Nevada
Anthony Ruiz, representing Nevada State College
Elizabeth MacMenamin, Vice President, Retail Association of Nevada

Chair Flores:

[Roll was called. Committee rules and video protocol were explained.] It is going to be slightly difficult to navigate today because I will be presenting a bill in the Assembly Committee on Judiciary. At some point in the middle of one of our hearings this morning, I am going to have to jump up. We will have Madam Vice Chair take my place and then hopefully I can get back and continue with running the meeting. I wanted to give everybody a decent outline of how we intend to move forward today, with the understanding that we may have to make some slight modifications to accommodate everybody. As you know, we have a lengthy work session. Please know that we will be doing that last, right before public comment.

We will be taking the four bills out of order. We will be doing Assembly Bill 334 first, followed by Assembly Bill 331, then Assembly Bill 335, and Assembly Bill 445. I just wanted to make sure that everybody had that clear. Members, as you were reviewing documents last night, you may have noticed that there is a very large portion of intersection between Assembly Bill 334 and Assembly Bill 331. I make that point because I want to make sure that when we hear the first bill, Assembly Bill 334, we will vet every single issue in that bill. However, once we go to Assembly Bill 331, we do not want to repeat the same exact hearing we just did with Assembly Bill 334. Please make sure you ask all the questions. I think it is mainly through sections 1-3 of the bill. Make sure you get all of

those questions on the record so that we do not repeat the same exact questions for the second hearing. If we do that, I will ask you to please ask a different question to a different section of the bill, as we do not want to have the same hearing twice.

We are going to allocate an hour of testimony, in its totality, per bill. What that means is we will start the clock for support, and we still stop at 20 minutes. We will then start the clock again for opposition and stop at 20 minutes. Lastly, we will start the clock again for neutral and we will stop at 20 minutes, giving it exactly an hour. I will not limit any individual. In other words, should one caller call in opposition, support, or neutral and spend 10 minutes testifying on a particular bill, they will be allowed to continue. For the callers who call after that particular individual, we will then simply limit them to whatever allotted time remains. I say that because strategically, whether in opposition, neutral, or support, it is in your best interest if someone has already indicated, made the statement, or argued your point, to get yourself on the record and say, Ditto, I agree with what the previous caller said. You can maximize the number of folks expressing either your support, opposition, or neutral stance. However, that is up to you. We do have some folks who will be joining us on Zoom throughout the hearing so that they can provide some testimony.

I just want to lay the foundation so that we have clarity and fairness from the very beginning and so everybody understands exactly how we will be proceeding. With that said, at this time we will go ahead and open up the hearing on Assembly Bill 334. Good morning, Assemblywoman Summers-Armstrong, whenever you are ready.

Assembly Bill 334: Revises provisions relating to affordable housing. (BDR 22-850)

Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6:

Good morning, Chair Flores and members of the Assembly Committee on Government Affairs. I am here to present for your consideration Assembly Bill 334. This bold legislation has one intent, and that is to provide cities and counties with the option to assess linkage fees in lieu of inclusionary zoning. With me today are community members who have taken a true and honest approach to this problem of affordable housing. I am a little nervous, so bear with me. We have Sarah Adler and Christine Hess, who will talk to you in some detail about the bill and its parts. They will bring you information about the issues we are having throughout the state of Nevada with the lack of affordable housing.

The first speaker after me is Anne Johnson. Ms. Johnson and I met in 2019 when we participated in a charette that was coordinated by the City of Las Vegas and the American Institute of Architects (AIA). We worked on a project that will show you why this bill is necessary and why there is a need for financial support for those who need affordable housing. This is a critical issue within our state right now, and it cannot wait for more working groups. This issue cannot wait for more discussion. This issue needs action, and it needs action now.

There are people on this Zoom today who will oppose this bill. I do want the Committee members and the Chair to know that we began our outreach to the development community months ago. We have had numerous conversations with them. We have asked for their input. If they did not like this bill, we have asked for them to come to us with solutions. We have not been able to get that from them. I bring this bill to you today confident that we have done our work. We have considered the impacts, but we know that our communities cannot wait any longer for more discussions. Our citizens, the folks whom we represent throughout the state of Nevada, and particularly for me and my community of Assembly District No. 6 in historic west Las Vegas and near North Las Vegas, need help. I am hopeful that you will consider both sides of this issue and make a decision that will help the citizens of the state of Nevada who are in dire need of affordable housing. Chair, with your permission, I would like to turn this over to Anne Johnson at this time.

Anne Johnson, Principal and Managing Member, Sparkflight Studios, Henderson, Nevada:

Good morning, members of the Committee. I am an architect working in the affordable housing arena here in southern Nevada since 2007. In this state, every person, especially our children, should have access to safe housing and the dignity of having a home. I am going to share a brief PowerPoint. [She shared a PowerPoint on the Zoom screen.] In 2019, research from the National Low Income Housing Coalition shows that Nevada has roughly 19 affordable units for every 100 people who earn 30 percent or less of area median income (AMI). Nevada is among eight states with the least affordable housing for lowest-income renters. Affordable housing is generally defined as housing that costs no more than 30 percent of a person's gross income.

I met Assemblywoman Summers-Armstrong in August of 2019 when the American Institute of Architects Las Vegas held a housing charette. It included community stakeholders such as residents, bankers, housing advocates, developers, government agencies, and architects. By October of that year, our outcome was several exciting approaches to affordable housing ranging from mini houses, to apartments, and then to mixed-use developments. In particular, mixed-use developments are wonderful for communities because they are bringing commerce as well as residential opportunities. Each of our teams prepared a budget pro forma including cost of construction, operating expenses, and projected revenues. A layered lasagna approach to funding was employed, including low-income housing tax credits, federal assistance, and other locally available funds. Each funding stream comes with individual requirements but then adds costs to the total project. Out of a total of six projects that we all developed, five projects ended up with a funding gap. As an AIA [American Institute of Architects] committee, we have continued to gather information and look for a silver bullet to solve this funding gap, but there are no easy answers.

Here are a couple of projects that were proposed. I was showing you some images here of a mixed-use in a high-need area near Las Vegas's historic westside, providing a transit hub, food access, day care, 200 units of housing including some at market rate, and over

36,000 square feet of commercial and restaurant space. There were zero land count costs for this project, and yet we still ended up with negative equity in the project, making it unfeasible.

In addition, another project that we are showing here is more traditional housing. This is apartments in an existing low-income neighborhood with access to one grocery store and other minimal services. This included 90 units of housing including some at market rate. It was essential to add some retail to increase cash flow for the project. The cost of land in the opportunity zone was \$1 million, making it impossible to build the 90 units without considerable federal assistance during design and construction and to support the tenants living in the unit after construction.

What are our takeaways after going through this exercise full of heart and passion? Creativity and the desire to create the affordable housing is not enough to get it done. Land cost is a problem. Land is too expensive in the areas with resources. Federal government funding is not enough to make up the gap. We know that additional, noncomplex funding is needed. These were our takeaways from this project. Again, AIA of Las Vegas in southern Nevada is grateful for this opportunity to speak and share some of our efforts. We are available with this ongoing challenge.

Assemblywoman Summers-Armstrong:

Thank you, Ms. Johnson. We spent a full day in our initial charette. Afterwards, for several months, the committee members went out and received input from the community. We talked, chatted, and had workshops. At the end of the day, this was still the issue. There is not enough funding to get a project done, even if land was provided—again, another reason why we believe this bill is critical.

At this point, Chair Flores, I would like to turn the presentation over to Sarah Adler and Christine Hess. They will introduce themselves to your Committee and make their presentation. Both Ms. Adler and Ms. Hess participated with me on many a meeting with the industry representatives who are on this call. I do not mean one meeting, but many meetings. They made themselves available to share their knowledge and their concerns and the data that they gathered. I believe that you can consider them experts. I am happy to have them today to present to you.

Sarah Adler, representing Nevada Housing Coalition:

Thank you very much, Assemblywoman Summers-Armstrong. Good morning, everyone, Chair Flores, and members of the Committee. I am with Silver State Government Relations, but I am also a proud member of the Nevada Housing Coalition. I am very honored to be their lobbyist. During this presentation, you will be meeting Christine Hess, who is the executive director of the Nevada Housing Coalition. We appreciate this opportunity so much to present, with Assemblywoman Summers-Armstrong, Assembly Bill 334 and Assembly Bill 331. I want to express my real appreciation to Anne Johnson for having shared what she did about the need and the funding gaps that we experience in Nevada.

We do have an extreme affordable housing shortage in Nevada [[Exhibit C](#)]. You, as state-level leaders of your local communities, are deeply aware of this. As the Assemblywoman said, we have been working with her to present an opportunity, an option, to local governments to contribute to that capital stack that Ms. Johnson described. But first, you are going to get a little bit of background from me, first for [A.B. 334](#), as well as [A.B. 331](#).

The Nevada Housing Coalition was formed in 2018 and was active last session in creating, with your assistance, the state affordable housing tax credit. We work hard at and firmly believe that, at both the state and local levels, making sustainable progress in affordable housing requires a comprehensive policy approach and strategy [page 2, [Exhibit C](#)]. This session you are going to see five bills that address multiple points of that strategy. First, of course, planning and accountability are required among local government and their stakeholders. This is [Assembly Bill 331](#); you will hear that next. You may be unaware of the fact that for much of the affordable housing in Nevada, the affordability restriction is time-limited. Therefore, there is a great need to collaborate and have funding to help preserve affordable housing that we do have, which is [Senate Bill 12](#). That will be coming across to you. [Senate Bill 284](#) is that tax credit I mentioned. The Nevada Housing Coalition appreciates Governor Sisolak keeping the tax credit in this budget, even in these very tight times. Originally, the tax credit had a five-year time limit on using up the \$40 million that had been allocated. Along with so many things in Nevada, it was "pandemicked," if you will. [Senate Bill 284](#) takes off that time limit to keep the \$40 million to be used over a series of years to fill those capital gaps and help create very significant amounts of affordable housing. You are hearing [Assembly Bill 334](#) today. This will enable local governments, if they choose, to add to that income and that equity that is available to create affordable housing. [Assembly Bill 317](#) is our access and equity bill. Once we have got housing, we need to make sure that individuals who are supported by government assistance, such as the housing choice voucher, can access that housing. [Assembly Bill 317](#) is now within [S.B. 254](#). It will be no surprise to you, there were so many bills on the agenda that it did not have time to have a hearing in your house, the Assembly. The need is extreme, not only in those very exciting projects that Ms. Johnson showed us where there were gaps, but we have a very widespread need in Nevada.

Let us look at the top line here [page 3]. This is something that will make perfect sense to you all: "The Rent Eats First." By that, we mean that Nevadans will pay an inordinate amount of their income in order to keep a roof over their own heads and their children's heads. Yet, we know, ever more so after this year, that housing is central to wellness and opportunity. If you do not have housing stability, as unfortunately our homeless population shows with the cost that they incur in emergency rooms and other social services, you do not have an opportunity for health. We have learned that the home is where education happens. Even when our kids can get back in school, they are still going to need broadband at home to do their homework. Housing is essential to overall mental and physical health. It is also the source of a lot of business opportunities.

So, what is affordable housing? The federal standard is that a household should only have to pay 30 percent of its income for rent and utilities, mortgage, insurance, and taxes. Over here on the right-hand side of this page, we see that the house is eating up about 40 percent of that household's budget [page 3, [Exhibit C](#)]. It is squeezing out nutritious food, medicine, reliable transportation so folks can reliably get to their jobs, and other consumer goods. Let us throw in a little family fun there as well. These are being squeezed out by housing costs.

Who is in the toughest shape in Nevada? This chart shows you that [page 4]. Most of our data is from the National Low Income Housing Coalition that Ms. Johnson referenced. This is their 2021 gap report. On the left-hand side of this chart, we see the condition that extremely low-income Nevadans are in. Extremely low income is 30 percent of area median income or less. What is that? In Clark County, 30 percent of AMI is about \$20,000 a year for a two-person household. In Washoe County, it is \$21,000 a year—very minimal income. Moving up one bar chart to very low income, these are people who are earning between 30 and 50 percent of AMI. In Clark County, that is about \$33,000 a year. In Washoe County, that is \$35,000 a year. The blue bars show us that throughout our income levels in Nevada, we have tens of thousands of people who are cost-burdened. That means that they are paying more than 30 percent of their income for rent and utilities. Look at the red bars. These are folks who are severely cost-burdened, meaning they are paying more than 50 percent for rent and utilities. Eighty-one percent of our extremely low-income people are paying more than 50 percent of their income for their housing. The pie chart on the right is a picture of who our extremely low-income Nevadans are. Thirty-four percent of them are in the labor force. Thirty percent are seniors. Sixteen percent are the disabled. Especially with these last two categories, they do not even have an opportunity to increase their income. We hope for the folks in the labor force that they can. But that is the picture of the people, of whom 81 percent are paying more than 50 percent of their income for housing. This shows you the extreme need that we have.

Let us talk about how you afford market-rate housing [page 5]. What income does that take? Of course, the vast number of rental units in our state are at market rate. They have no affordability restriction. Christine Hess, whom you will meet, and I have been doing a lot of research over the last few months. As of April 3, 2021, last week, average two-bedroom rents in our major communities were as you see them there, just about \$1,500 for a two-bedroom apartment [page 5]. Now, what do you need to be earning for what is what we call the "housing wage" in order to pay only 30 percent of your income for housing? As you see, it is about \$28 an hour in each of our major communities to afford that average rent. Yet, in the 2019 gap study, it shows that the average renter in Nevada is only making \$17 an hour. Forty-four percent of Nevada households are renters. At an average rate, we have got a gap of \$11 an hour between what folks are earning and what they need for market-rate housing.

Let us take a more granular look at this [page 6]. We went and got these jobs that were announced in Las Vegas and in Reno in mid-March. Look at the very top line there; there was a room attendant job at one of our casinos offering \$10 an hour. Back in March, the housing wage in Las Vegas was \$26.51 an hour. It has gone up because rents have gone up.

Perhaps these jobs were listed in February, but rents have gone up. The housing wage has gone up. You see child care giver at \$11 an hour. Clark County School District entry-level teachers make \$17 an hour. That is our workforce that we need for Nevada in totality to be successful, and they are not nearly making housing wages.

Is it better in Reno-Sparks? Sadly, it is not [page 7, [Exhibit C](#)]. Look at the top line there. This is a personal care attendant for a home care business that takes care of our most vulnerable Nevadans, offering \$9.70 an hour. At the time, the housing wage in Reno-Sparks was \$30 an hour. Even now, at \$28 an hour, we have an \$18-an-hour gap between earnings being offered and rent being charged. The Washoe County entry-level teacher is not making a housing wage. Warehouse workers are not making housing wages. What you can see is that you are surrounded on a daily basis by great Nevadans working hard who are not making enough money for their housing to be affordable.

You have seen over this past year how housing prices have increased at all ends of our state. These are the concerns and consequences [page 8, [Exhibit C](#)] from our sponsors of the Nevada Housing Coalition. We have a deficit of about 85,000 units for our extremely low-income Nevadans. When you add in our low-income to our very low-income, that deficit goes up to 105,000 units. We have just 29,000 affordability-restricted units in Nevada. We need 100,000 more. We have an influx of newcomers who are finding out how terrific Nevada is. Part of our terrificness, to these pandemic refugees, is our low-tax environment. Folks are fleeing income tax states, coming to Nevada, driving up housing prices and increasing the gap between housing wage and income wage. This is true of businesses. Businesses that come with this new development, the warehouse jobs, some of them are not paying a housing wage. They create an additional need for affordable housing for their respond. We will talk about that. The final point on this page [page 8, [Exhibit C](#)], as I mentioned with S.B. 12, a lot of affordable units have their affordability contracts expire or they can go through a qualified contract process and bust our affordability restrictions and go to market rate. In this market, they have a great temptation to do that.

Affordable housing does not just happen. That is the background for both of our bills. Now, I am going to take you into Assembly Bill 334 more specifically.

We will be going through what it does, but the top line on this page is critically important [page 10, [Exhibit C](#)]. It enables but does not mandate local governments to enact two additional affordable housing development tools. The tools they have now are in *Nevada Revised Statutes* (NRS) 278.235, which is where Assembly Bill 331 sits. There are 12 tools local governments report on as using in order to help create affordable housing. The bad news is most of these tools cost the local governments in money or value. They have to have resources to contribute to make affordable housing happen. They can subsidize impact fees. Props to the City of Reno for doing so with their sewer fees. They can sell land at 10 percent of appraised value to affordable housing developers. They can donate land to a nonprofit, donate money, and provide density bonuses to provide down payment or rental

assistance. What local governments can do costs them money or value. These two tools balance out that toolbox by allowing local governments, if they choose, to enact additional fees to put some more money in that pot to fill gaps.

So, again, what will it not do? It will not impact the state budget. This bill has no fiscal impact. It will not mandate inclusionary zoning. It will not mandate the enactment of any fees of any kind. It will not mandate that local governments take any one specific action to create affordable housing. It will not allow local governments, if they enact fees, to do one-offs: this developer charges this fee, but that home builder is charged that fee. Fees must be set in a schedule that will be the result of stakeholder dialogue. So, no one-offs. If local governments enact a fee, they are not going to disappear into the general fund. They must be put into an affordable housing trust fund or into a restricted fund established by ordinance. Finally, this fee has nothing to do with rent control.

Stepping into the bill [page 11, [Exhibit C](#)], section 1, subsection 1, paragraph (a), is where the bill authorizes fees in lieu of inclusionary zoning. Inclusionary zoning, as you might know through the concept that Anne Johnson mentioned, is mixed-income housing. The purpose of inclusionary zoning is, again, to create mixed-income housing that allows people to perhaps live near where they work. While inclusionary zoning has been authorized in statute since 1999, not a single jurisdiction in Nevada has implemented it. We do not actually expect Nevada to move into inclusionary zoning. We put this fee in lieu as an option for our developers who create excellent housing products, creating the mixed-income part. The townhomes or the apartments simply may not be in their business model. If a jurisdiction chose to implement inclusionary zoning, we would like for them to also have the opportunity to give developers a choice. You do not have to build the townhomes and the apartments; you may pay a fee in lieu. This is a best practice that is used throughout the country. We do not know if it will ever be used in Nevada, but we wanted developers and homebuilders to have a choice.

The linkage fee is where we hope that the enabling legislation we present may be a benefit to local governments [page 12, [Exhibit C](#)]. This is section 1, subsection 1, paragraph (b). I am going to say it right now: yes indeed, a linkage fee is a form of an impact fee. You know this, and we will hear it from the builders and the developers. We are sensitive. We appreciate the challenge that they are facing. The way our tax structure works in Nevada, growth is paid for through impact fees. Our property tax is not established in a way to provide revenue to support growth itself. So, yep, a linkage fee is an impact fee, but the key word is "link." The amount of fee that a local government might charge on residential, commercial, or industrial is literally linked to the additional need for affordable housing that is created by that development.

We are going to look at how commercial and industrial development create additional need for housing that is affordable. Even residential developing—you think of a beautiful residential community that has grown up in our larger cities. Those homes create an additional need for landscaping, home maintenance, and home cleaning. They are also bringing residents to Nevada. Residents moving to these communities are going to create

restaurants, dress shops—Lowe's, Home Depot, and Walmart are going to be developing in those areas as well. Those are more jobs that are not paying a housing wage. There is a link between this additional development and the need for additional housing.

Again, I want to emphasize that any linkage fee could not be established without that jurisdiction creating a comprehensive affordable housing policy that they enact in ordinance. We, at the Nevada Housing Coalition, absolutely believe that stakeholder participation in such a process is essential.

We go to section 1, subsection 3, paragraphs (a) and (b) [page 13, [Exhibit C](#)]. Here is where we are wanting to show you, as Assemblywoman Summers-Armstrong said, we listened. The very first thing we did, before the bill even went to the Legislative Counsel Bureau (LCB), was put caps into the statute, which we think may be unique in the country. What we have further done with this amendment [[Exhibit D](#)] is we have lowered the cap on industrial development from \$5 a square foot to \$3 a square foot. We listened. Ms. Hess and I, if we ever had a chance to go to housing conferences, we might have people say to us, Your cap is \$3 a square foot; that is way below what the market will bear. We think this is appropriate for Nevada. This is what our sponsors wanted, a way for us to get going. Commercial and industrial are capped at \$3 and multifamily is \$1.50.

Let us talk about residential. We have two caps, not floors. Again, we would expect, as these are set, they will be set lower. We have two different levels for residential, depending on the size of the home. Let us go over on the right-hand side [page 13, [Exhibit C](#)]. What is very important to us at the Nevada Housing Coalition is that we do not impact young families moving into starter homes or folks who want modest homes. In a home of under 1,500 square feet, no linkage fee is possible at all. Multifamily developments of 10 units or fewer—no linkage fee. This is where we could do infill development or where water, sewer, and roads already exist. This is a sweet spot for affordable housing and small developments—no linkage fee. To our chambers of commerce, we do not want to impact small businesses. An owner-occupied small business of 5,000 square feet or less—no linkage fee. Churches and schools—no linkage fee.

On to section 1, subsection 4: accountability [page 14, [Exhibit C](#)]. Once again, the money has to go into a restricted fund. It cannot drift into the general fund. In the amendment that we are presenting to you today, is section 1, subsection 5, on targeting [page 3, [Exhibit D](#)], again, this is a result of stakeholder and sponsor dialogue that we firmly support. You have seen the extreme need for housing for our lowest-income Nevadans who are in the workforce. Eighty percent of any linkage fee revenue must be used to develop housing that assists persons in what we call Nevada tier one. Tier one is 60 percent of area median income or less. Thirty percent has to be spent in that enacting jurisdiction's census tracts of lowest income. This is where affordable housing already exists. This is where we need to make sure we preserve it. This is where, with additional funds exactly as Ms. Johnson showed you, some very exciting revitalization would occur. These are our two targeting measures.

To show you what we mean about the impact of commercial and industrial development on the additional need for affordable housing [page 16, [Exhibit C](#)], this is June 2019 research done by the Economic Policy Institute. They took multiple business sectors and said for 100 primary jobs created in that sector, what additional jobs are created in retail, service, and public sectors through the respond of those primary jobs? The right-hand column is those additional jobs created. Construction is a great industry; we love the great wages that construction pays, especially union construction. It induces 73 additional jobs through its respond. A lot of these jobs are at the dollar store and the grocery store. They are not paying a housing wage. You go down on this list, transportation and warehousing: 100 direct jobs, 77 indirect. This is showing you the validity of a linkage fee and one that would be set at the local and appropriate level for that community.

We hear the opposition [page 15, [Exhibit C](#)]. We have met with them and, as I tried to say, I totally respect the pickle they are in. They are already paying a variety of permit fees, licensing fees, and impact fees because that is how we pay for our community development, through growth. Our antiquated property tax structure does not provide a broadly based and deep-enough resource from which to pay for all these types of growth: roads, bridges, police and fire safety, parks, and affordable housing. Development creates an increased need for affordable housing that is not paid for but for contributions. Down here in the right-hand corner you see—we took apart the document that you all received—they note that one of the contributions that builders and developers are making to local governments is that they save \$500 to \$1,000 per home to be donated to the affordable housing fund. We are aware that this has happened a couple of times in Nevada. In the times that it has happened, these are one-offs. This much, that much, is being offered and accepted and not going into a restricted fund, to our knowledge. Our bill would create transparency and predictability that developers can work into their pro formas.

I am coming down to the last page here [page 17, [Exhibit C](#)]. Residential linkage fees, as proposed with caps, can make a difference if our local governments choose to enact them. On the left-hand side—again, this is off of a flyer you all likely received—the concern is that this linkage fee would prevent folks from becoming homeowners. About 90 percent of what they had on that, we crossed out here. It is not even possible through Assembly Bill 334 and Assembly Bill 331 because they projected for a standard home of about \$350,000, let us call it about 2,000 square feet, the maximum fee you could even have on that home is about \$1,500. The rest of what they put up there is not even possible. That is due to the linkage fees and additional costs. Also, the folks who are looking to become homeowners, that is terrific. They are great Nevadans or soon-to-be Nevadans as they flee their income tax state where they have been paying a lot more for housing and taxes than we are asking them to do here. These folks have the ability to become homeowners. We are talking about this as extremely low-income people, \$30,000 income, are nowhere near the opportunity to become homeowners.

Over here on the right-hand side, you see the power of aggregation of fees. An individual fee paid, when you aggregate 1,500 of those new constructions, you get, I am looking at \$2.3 million to \$1.5 million that goes into the capital stack or the layers of financing, of debt

and equity. That is the way we develop housing. That can become 100 to 150 units. Over a 30-year required period of affordability, we have provided 4,700 years of affordable housing to families that need it desperately, or 3,000 years. The power of aggregation of fees can have an enormous beneficial impact.

That gives you the background on Assembly Bill 331 and Assembly Bill 334 and the details on Assembly Bill 334. We thank you so much, Committee, for your interest. We thank our sponsor deeply and the supporters whom you will hear from [page 18, [Exhibit C](#)]. This final note: Who needs more affordable housing in Nevada? One of the groups that does is our kids. If they are going to grow up and remain great Nevadans, they are another one of the groups that need housing affordability. Thank you, Mr. Chair. That concludes our presentation on Assembly Bill 334.

[Assemblywoman Torres assumed the Chair.]

Vice Chair Torres:

Thank you for the presentation, Ms. Adler. Just so the Committee knows, the Chair had to step away for a bill presentation in another committee. I will be going ahead and taking us into questions.

Assemblywoman Anderson:

I have two questions. One is an item that seems to be a large thing around housing that we have had for some time. That has to do with solar generation. I noticed that there are no comments or anything about information on solar generation. Would the fees be assessed on any sort of construction when it comes to a solar generation facility or even the electrical transportation infrastructures that are discussed in some of our larger counties? Has there been discussion around that?

Sarah Adler:

I really appreciate that question, and I will be transparent. That is an excellent question and it is one we have not, I will honestly say, tackled. On the one hand, you are not building square feet. I do not know that across the country. I know it is figured out, a solar field. It is something we could consider. I have got to say, those are great-paying, construction wage jobs. I do not know how much they contribute to the affordability problem we face. We will look into it.

Assemblywoman Anderson:

Thank you. I greatly appreciate that answer because I think this is another reason why, if I am understanding the bill correctly, it is permissive. A county or district can make the decision to utilize that language, but it does not necessarily have to be in this law. Am I accurate in that information?

Sarah Adler:

Yes, correct.

Assemblywoman Anderson:

My second question has to do with section 1, subsection 6, of the amendment [[Exhibit D](#)] where it speaks of activities. It speaks of activities a few times. Can you give me and the Committee some examples of what those activities could be to help in the affordability of housing for individuals to possibly undertake?

Sarah Adler:

I will start. I am sure Assemblywoman Summers-Armstrong will want to add. In our discussion, we realized that to achieve goals not only requires the brick-and-mortar building but implementing the affordable housing into a neighborhood revitalization strategy. Those activities are the implementation of the policy.

Assemblywoman Summers-Armstrong:

What we want to see and what we are hoping for in these two bills and the subsequent programs put together from the entities is a complete package, not just the building of new housing. In my community—I cannot speak for anyone else's, so it is just easier for me to imagine and speak to my community—we have had a significant amount of disinvestment in Assembly District No. 6. A lot of this has happened post-segregation. I will speak specifically to the historic west side. After segregation, when a lot of Black folks were now able to move, they did and we saw houses falling into disrepair. We had a significant amount of urban blight, if you please, where we have lots that are empty and houses that have been abandoned, for various reasons: people die, their children do not keep the homes or do not know how to keep the homes. We find that we have opportunities.

For instance, the Nevada Preservation Foundation, under former Assemblywoman Heidi Swank, began a process where they did a study in our community. They catalogued all of the houses that were abandoned and now they are doing a feasibility study. They are waiting for the results of that. They understand the importance of revitalizing what is there. Everything does not need to be new. That is not necessarily what makes communities. We have homes that were built with love in our community that need attention and that could provide homes and shelter for young people who want smaller and affordable housing. This would allow that to be part of the process. Community organizations that are engaged in this kind of activity would be able to also participate in these funds so that they can help move forward this preservation and revolving fund concept.

To me, that is extremely important in our community. Yes, we want new housing. We want affordable new housing, but not at the expense of decimating communities that are already in existence, and not at the expense of tearing down and putting construction garbage in a landfill unnecessarily when we could have tiered strategies where we are doing more than just one thing to preserve affordable housing and communities. To me, the preservation of a community is key to all of this because we want our children to live in these communities. I have sons. I want them to be nearby. I want them to find housing where I can be "Mimi," so that Ella and I can have a relationship here in Nevada. I know there are others who feel

the same way. It has to be a complete package. This is where Assembly Bill 331 will come in with the planning. This particular legislation will provide the gas. It will provide the energy—the money—to get it done. I hope that answers your question.

Assemblywoman Anderson:

Thank you, it did very much so. Thank you so much for the very strong answer.

Assemblywoman Considine:

Affordable housing is a huge issue in this state. To see something that is attempting to tackle it, I really appreciate it, especially with my district of southeast Las Vegas and Henderson. I have a question: I am requesting a hypothetical, actually, so that I can kind of solidify this idea in my head. Section 1, subsection 1, paragraph (b), reads, "Such determination must be based on a finding that there is a relationship in nature and extent between the new development and the need for the affordable housing." [page 2, [Exhibit D](#).] This concerns a linkage fee. Is there a hypothetical example that you can give me that explains how this portion would work?

Sarah Adler:

Yes. We have put up, as an exhibit, a one-pager on linkage fees that has a lot of attachments to it, links to local studies that established linkage fees [link on page 11, [Exhibit C](#)]. As far as what the nature and extent refers to, and it comes out of the economic and legal analysis that establishes linkage fees, the nature is, are you talking about the impact within industrial, commercial, or residential? Even within that, for example, a data farm is a whole lot of square feet with not very many jobs inside it who are electricians and software people making a housing wage. The impact of that should be different within the fee schedule than a warehouse, for example, that has a whole lot of jobs in it that are not paying a housing wage. The nature is, what is the type of development on which the fee is being enacted, and then the extent is, how big is it? How many square feet? The extent is the size of the impact, again, from the linkage fee analysis that is posted up there. Does that assist?

Assemblywoman Considine:

Yes, it does. I guess what I was looking at was more of a situation where company A wants to build whatever this building would be; therefore, this is the analysis we go through, which I think you just explained. So, this is how it helps the community. How does that direct linkage fee then translate?

Sarah Adler:

Here is a very recent example. In northern Nevada, there is a company expanding from Carson City to Minden. They are building 40,000 square feet. I believe it cost them \$4 million. I applied a fee to them; it came up with maybe a buck a square foot or 50 cents a square foot, \$20,000. Any fee revenue generated has to go into that restricted fund or the affordable housing trust fund. That is where all the fees over the course of a year or multiple years will aggregate and then be deployed according to the affordable housing policy.

Assemblywoman Brown-May:

Thank you very much for that great presentation. Having spent the last 20 years really working to support folks with disabilities, I am very familiar with the lack of affordable housing. My question is really relative to the square footage that is identified here for a single-family residential dwelling, not "less than 1,500 square feet." I am just curious to know where that square footage came from.

Before you answer, let me just give you the background. My first home was an attached townhome that was 1,630 square feet. That was a time when I had to apply for federal down payment assistance and was not in a position to purchase my first home. There are a number of folks who live in Assembly District No. 42 who would be in that position. I am just curious to know where the square footage came from so that we do not price out a first-time homebuyer. Is there wiggle room in there? That is really the question.

Sarah Adler:

We picked 1,500 square feet as, if you will, a ballpark for a starter home. Your 1,630 square feet, maybe our ballpark should move up a little bit, but you mentioned down payment assistance. Nevada has two terrific programs, Home at Last, run by the Nevada Rural Housing Authority, and Home is Possible, run by the Housing Division of the Department of Business and Industry. These are designed to help first-time and lower-income homebuyers be able to fund fees within their, what they call, down payment assistance. That is a mission of the Nevada Housing Coalition, to make sure knowledge about these assistance programs is widespread. Even at 1,638 square feet, a jurisdiction might charge 25 or 50 cents per square foot on a house like that. That fee becomes something that many people would be able to put into a 30-year second mortgage and amortize over the cost of the mortgage.

Assemblywoman Thomas:

I want to say, Assemblywoman Summers-Armstrong and Ms. Adler, excellent. I do not know how else to express this. I would like my name to be attached to Assembly Bill 334, if I may.

Assemblywoman Summers-Armstrong:

I would be honored, Assemblywoman Thomas, if you would join us in this effort. I know that you have read this. We would welcome support from any other Committee members as well. We know that this is a critical issue. We know that this is a tough issue, but we also know that this is the time. We are grateful for any support we can get. Thank you so much.

[Assemblyman Flores reassumed the Chair.]

Chair Flores:

Thank you, Assemblywoman Thomas. Vice Chair, thank you for handing me back that virtual gavel.

Assemblywoman Dickman:

I just wanted to ask if you have any idea of how long it might take to build up these funds to make it such that they can make a difference? I have an idea that this is going to discourage development. If that is the case, it is going to create more of a housing shortage. It is going to increase homeownership costs, pricing middle-class people out of homeownership. It seems like we are going to be creating an even bigger need for low-income housing. If there is less development and there is less money coming into this fund, how long do you think it will take?

Sarah Adler:

That is a great question; we asked it of ourselves. This is just back-of-the-envelope work. Looking through news reporting in the *Las Vegas Review-Journal*, for example, I believe the correct number of new homes built in Clark County was 11,000 new homes in 2020—maybe that was 2019 and 2020. It takes some time. It probably started in 2019 and was available for sale in 2020. If we had guessed that the average square footage—I should have kept this envelope with me—was 2,000 square feet and there had been a 50-cent-per-square-foot on that, the increased cost would have been about \$1,000 for that homebuyer. Aggregated, that would have been something in the area of \$8 million to \$9 million. Nine million dollars can plug into affordable housing projects and create 600 units. If you want to create units for the disabled population, which need deeper rent subsidy, it is fewer units. How many units you get depends on how much rental assistance you offer. One year of very modest fees would have been very productive, and it would be going on in the future. If a fee were enacted on commercial and industrial development, an IKEA-sized building, we are going to get some money to put to work quite quickly.

Assemblywoman Summers-Armstrong:

I think this sort of fits into, what comes first, the egg or the chicken, right? How do we deal with the situation? The reality is that we have businesses coming to Nevada and have been for the 30 years that I have been here. In Clark County, I have seen exponential growth. At every turn, there is always pushback. Understandably, it is from the business community about any type of impact fee for their business. We understand that. I think we also have to be realistic about the benefits of businesses coming to Nevada. Those benefits are not gone. We are a beautiful state. We have a lot to offer. We have no income tax. Our tax structure is very attractive to businesses. We have a reason for them to come here, which is why they do. They come here in droves. This is not going to make our environment so hostile that businesses will not want to come here, because they will. We still have a burgeoning economy that can grow. There are still good reasons to do business in Nevada. I think that Nevada also has to recognize that she has citizens who need help.

These jobs have a consequence. Businesses that come here and bring business also bring consequences that have to be dealt with. One of the consequences is that they bring workers and often, those workers do not make a housing wage. So, what do we do? Do we ignore that we have people who cannot afford housing? I came here 30 years ago, and I am getting older every day. What happens if I become disabled or I am injured or I need to retire, and

I am on a fixed income? I received a text message at the beginning of this year from a senior citizen in my community which was filled with tears: My rent went up \$60 and I do not know what I am going to do. That is the issue that we have in this state.

When we are looking at affordable housing that is going to term- and time-out, and that housing can now become market rate, we have to be honest with ourselves that we have a real problem. Businesses that come here have to recognize that we have citizens who need help. They need to make their contribution. It is not huge. We are not overburdening anyone with any of these suggestions. We are also asking our municipalities in the next bill, Assembly Bill 331, to put together a comprehensive plan so that we are directing this money only to the development of affordable housing so that money does not get lost anywhere else. I hear your concern, but we have a problem, and we cannot ignore that we do.

Assemblywoman Dickman:

That actually made me think of another question. I know when developers build their developments, they do a lot of voluntary things like building firehouses and donating land for schools. Have you taken into account what we might lose in those voluntary things?

Sarah Adler:

I agree. I am a big part of the local Boys & Girls Club of Western Nevada here in Carson City. We are benefacted by local developers. I completely appreciate them. Our point with a local jurisdiction that chooses to enact a linkage fee is it becomes predictable, the amount of money that will aggregate, and that they can and must invest in affordable housing. I sure hope that their generosity to the Boys & Girls Clubs and other contributions that they make to a community will continue. I am hopeful of that. I know Bill Miles; I know it is going to keep happening. Yet, the benefit of our approach is that transparency and predictability of what the fee is so you can build it into your pro forma, and the power of aggregation of money and the restricted funds so we know exactly what purpose it is going to.

Assemblyman Ellison:

Being in construction and looking at the chart that you did, after COVID-19 had come out, a lot of these people are not working. Their insurance has increased, and you cannot go into a business and say, This is what your profit is going to be. It is not working that way. Every contractor has different insurance rates and different scales for employment and equipment rates. It is hard to figure this out. I think you are going to see more of an influx of housing problems based on these small houses, small individual little crater houses on lots, and duplexes; stuff like this is going to come up for sale. When the government comes in and says you cannot collect rent for over a year and a half, these houses are now going up for sale, massively, and you are going to see that all over the state. You want to put more money into a program. I do not know where this money is going to come from. People are hurting and dying out there; we just keep adding and adding.

Taxes are not going down; they are coming up. They are dramatically coming up. You have got a crash coming. I think there is a way to do this or help, but putting a charge—I really do not see that happening right now. If it is, you are going to see contractors not bid on them. That is going to be a problem that you are going to run into. They will not bid on these projects. Eventually, they are going to have to say, Hey, we are going to look at some other way to go into different types of industry. It is pretty rough on those guys out there, mostly in Las Vegas. They are struggling to survive. You guys are up there more than I am. I can tell you in the rural area, you are going to see a lot of houses come up for sale because you cannot get rent. You are still having to pay the bank payments, the insurance payments, the water, sewer, and garbage. You have zero income coming in. It is time to get rid of them. That is what is going to come next, just be prepared.

Assemblywoman Thomas:

What is the solution? If we have all of this ambiguous definition of why we cannot have affordable housing right now, what is the solution? Can someone please give me a solution?

Chair Flores:

Thank you, Assemblywoman Thomas. Members, because I have allowed Assemblyman Ellison to make his statement, I also allowed Assemblywoman Thomas to do the same. However, we will not engage in a debate between members. At this time, we will continue with questions.

Assemblywoman Brown-May:

Assemblywoman Summers-Armstrong, I really appreciate your narrative and your comments relative to the importance of affordable housing. Ms. Adler, one of the things that you talked about triggered for me, and I want to make sure I understand this correctly: this linkage fee. If it is enacted for a local body for the development of a commercial development, let us say Amazon is moving in and they are going to build a brand new, 3 million-square-foot facility—they are going to hire a bunch of people who are not going to make a living wage who are going to need access to affordable housing. That linkage fee that Amazon is going to pay to develop that facility that they want in the construction process, is it going to go into this pot of money that is allocated to assist a developer of affordable housing? That is where I want to make sure that I am super clear. A developer of affordable housing that I know and understand, for example, would be Nevada HAND. They know very well how to build affordable housing units to care for our seniors or people who are low income. They have a pot of money or they have a plan to develop, but then they are short of funds because it costs so much to develop affordable housing. This pot of money would then go to offset that loss to assist them in developing affordable housing. Am I understanding that correctly?

Assemblywoman Summers-Armstrong:

Assemblywoman Brown-May, you are exactly correct. This is targeted. It is specific. Again, it will not go into a general fund. This is to help build new housing. We are hoping to influence the cities and counties when they put together their plans—also to preserve existing. I do not know if you all have heard, but the Biden Administration just came out with their big plan, and part of their plan is affordable housing, both retention and building

affordable housing, because this is not just an issue in the state of Nevada. This is a national issue. We also know that anytime there are federal dollars that become available for any project or idea, there are always matching funds that are required. This would also help us position our folks who are involved in development. Development also means construction jobs. The development of affordable housing puts jobs into the community, job training, and career training to help lift themselves up. This is not just creating a house but also creating opportunity. Any funds that come from the federal government would require a match. This could also help with that. If an organization like Nevada HAND were able to draw down some federal funds, they could reach into this pot and apply for this pot to close the gap. Now, we are exponentially expanding the value of those dollars that have been put into this program to help us get where we need to go. We have a huge need, and I believe that this is the time right now to get it done. Thank you so much for the question.

Sarah Adler:

I just want to say, yes. One track where this affordable housing fund could be used would be, Let us develop 200 more units, but the local government will have options within their affordable housing policy. For example, the permanent supportive housing for extremely low-income, disabled folks takes much deeper rental assistance. They could choose to deepen the rental assistance on certain units with their linkage fees. The other thing is to enable homeownership. Back to your original question, the local government could create a deed-restricted mortgage program. I will not go into what that is. It is helping people into single-family homeownership and assuring that affordability goes on for one or two more buyers. There are options.

Assemblywoman Brown-May:

I am not intending to pick on Amazon or Nevada HAND. I think Nevada HAND does an exceptional job at what they do and are a great example for me to utilize. One last final point, and I believe it was Ms. Johnson, in her presentation, noted that there were five projects that ended up with a funding deficit. Is it then, in fact, that we have local developers that are interested in developing affordable housing that just do not have the money to do that and this could assist them in completing those projects?

Assemblywoman Summers-Armstrong:

That is exactly the situation. When we did the charette in 2019, if I am not mistaken, three of the five projects that were short on funding actually had land given to them to do these projects, and they still were not able to close the funding gap. These were projects that were undertaken by professionals, the community was involved, these were real projects that had real potential. One of them in my community, on Martin Luther King Boulevard, was going to be an amazing project. It could have helped house so many people and provided transit-oriented housing, day care, and all of that right there in a really accessible place. The funding was not there. We know that there are people who want to do this work. The money is not there. We do not have the money.

This will not interrupt builders who want to do large-scale, master-planned communities. If they want to include this, there is money. There will be money available if they want to have apartments and other types of housing in their communities. They would also be able to access this. We also want to make sure that there are funds available for infill. We do not want to just expand our valley, which puts other pressures, without any control and only have affordable housing on the outsides of communities. This is one thing that we talked about with the developers when we came to the table. Yes, we want to ease up land, and that has been discussed. We also have to recognize that this increases pressures on municipalities for transportation and infrastructure, but there are opportunities for infill, as well. We just want there to be a variety of options so that people have places to live where they can afford it.

Assemblyman Matthews:

You noted that this is a challenge not unique to Nevada, and that is obviously correct. The state of California actually implemented these linkage fees into their own housing market. I am wondering if you can speak to or are aware of what the results in that state may have been. I think it would serve as a useful guide and be good to know in terms of anticipating the effects of this policy here in Nevada.

Assemblywoman Summers-Armstrong:

I will let Ms. Adler answer this question in the weeds. I will quote a minister friend of mine who passed away, who said that we have to be careful, when we are trying to find a solution, to look at other places and not repeat or hold up a failed solution as our solution. I know this kind of thing has been done in other places. I have tried to be a good student wherever I go and take notes where I go. Places like Chicago; Indianapolis; Minnesota; Boston, Massachusetts; and Washington, D.C., have done this. If you go to almost any major metropolitan place where there are good jobs, industry, and business, where people want to live—Virginia for instance—they have programs similar to this. What we are trying to do is look at different places, see what they have done, improve upon what they have done, take note of what did not work well, and make sure that we do something different.

I think the core thing that we have done differently in this legislation is specifically target it and make sure the money cannot go into the general fund. It is specifically targeted to the development of affordable housing so that money does not bleed someplace else. I think that has been the issue in other places. We have been very careful about that. We have also been very careful to make sure that we are not putting in an instrument that congregates affordable housing in one place, which is why we have targeted only 30 percent of it to already identified census tracts, but allowed the rest of the money to be used throughout the municipalities and counties. Housing can be where the jobs are and where these new developments are so people can be able to get to work and live near where they work. This is part of paying attention to what others have done, improve upon, and take note of that so that we do not repeat other people's past mistakes. Ms. Adler, do you want to go ahead and say more?

Sarah Adler:

We do know that linkage fees are enacted not only in California, but also in multiple communities in Utah and Colorado that are more nearby. In terms of total data, the one recent study we have from the Urban Institute notes that \$1.7 billion raised through impact and in-lieu fees for the creation of affordable housing is funding at least 171,000 affordable homes. When you do the math there, on average it would be a \$10,000 contribution per unit. I think that is probably some units that were fully funded and some units just got a little bit of contribution. We can do more research on that and we do have many links on our linkage fees exhibit. We can get back to you with some more specific information.

Assemblyman Matthews:

Thank you, and just a quick follow-up. Ms. Adler, maybe this is something that you could get back to us on as well. I was curious whether the wait times for applications for affordable housing had decreased in California or elsewhere. My understanding is that wait times for applications have continued to actually increase, even with these linkage fees in place. Perhaps that is something you can either speak to now or report back to us.

Sarah Adler:

When you have 29,000 units and you need 105,000 units, your wait time is such that your housing authority, the vehicle through which affordable housing is provided, you do all kinds of reporting of your income. Your income is checked every year. The Southern Nevada Regional Housing Authority recently had the opportunity to open their waiting list for the first time in ten years. You have not been able to even get on the waiting list because there is such an extreme need for affordable housing for low-income Nevadans. We are not going to impact the wait time significantly versus the number of people who are eligible for housing assistance. We are not going to promise that. We are just going to make some progress.

Assemblywoman Black:

If you will indulge me for a second. I found an article that I thought was interesting, and I just want to get your response to it. I think it sums up pretty accurately how I feel about this. It says:

Most developers are opposed to the proposed linkage fee, because it is both bad policy and fundamentally unfair. First, the linkage fee will only increase the cost of residential and commercial construction, which ultimately will be passed on to buyers, renters, and lessees. Thus, the proposed fee serves only to make even less affordable the city's already-limited supply of commercial space and housing. But worse than that, it unfairly targets developers. Developers aren't the cause of the lack of affordable housing; they are the solution. And the proposed linkage fee only punishes their laudable efforts in supplying the city with badly needed projects, especially housing units . . . A better solution is to make residential development much easier and less costly to undertake. That can take the form of fewer regulations, fewer

requirements, and lower fees. If you make the supply of housing easy and cheap, the supply will come, and that will naturally drive down the price of housing in the city.

I mean, what would be your response to that? I think those are valid arguments. [Assemblywoman Black submitted [Exhibit E.](#)]

Assemblywoman Summers-Armstrong:

Assemblywoman Black, I am sorry. I did not hear where that article came from.

Assemblywoman Black:

It came from Opportunity Now. They did a kind of discussion on it with various people. That was just one excerpt from it. I can share that with the group if you would like.

Assemblywoman Summers-Armstrong:

Thank you, Assemblywoman Black. We would appreciate if you would share that. I am not certain that Opportunity Now is a local or state organization. If they are, I am not sure they were part of the folks whom we spoke with. We did speak with many people from the development community. I do not exactly remember whether Opportunity Now or that group represented themselves.

Assemblywoman Black:

They are actually from Silicon Valley. They are from a state that already implements linkage fees. When I was researching linkage fees pros and cons, I came across this article. It basically summed up what I tried to say more eloquently yesterday when I spoke with Ms. Adler, which is, are you not just further exacerbating a housing shortage by making housing more expensive, because you are going to. Contrary to what Assemblywoman Brown-May said, this is not just a fee for Amazon, this is for all developers. Developers' costs are already up. Lumber is up 200 percent and labor is up. Everything is up. All the things are up and now you want to put another fee on top of them, which we all know, if you understand economics, just gets passed on to the consumer, thereby exacerbating what is already a bad situation in housing and making it less affordable. That is how I feel about it. Ultimately, the developer is not going to eat this fee. They are going to pass it on to the consumer.

Assemblywoman Summers-Armstrong:

Thank you, Assemblywoman Black, for your comments and your concern. I think that no one in this conversation is taking any of that lightly. We understand that this will increase costs for developers; residential, commercial, and industrial. I think that these tierings—first of all, this is not mandatory. This is enabling language. It cannot even be implemented until the municipalities and the counties, in Assembly Bill 331, which you will hear next, set up a comprehensive plan. Number one, it is enabling. Number two, I think that we also have to recognize that development costs our communities already. It costs us. When a developer puts in 500 homes in a beautiful and lovely designed community, those developments are already influencing us as taxpayers. We are providing infrastructure:

roads, streets, off-ramps, and lights. People who cannot afford to live there are still contributing to access to those communities. There is a price for everything. There is a price for homelessness. There is a price for houselessness. There is a price for inadequate housing. There is a price that trickles down in this entire situation. At some point, we have to recognize that we have to deal with it. I am sure Ms. Adler can give you some statistics, crunch numbers, put up a PowerPoint slide, we can bring out articles, and we can debate this for days on end. I will tell you one thing I do know: we have spent hours talking to the industries about this issue. No one has brought any type of a solution. The only reply that we have gotten is "no." What are we supposed to do with that? We have a housing crisis right now. I do not know what else to do. We have to come up with something to help a problem that is going to be a tsunami in two years. "No" is just not a solution. Ms. Adler, do you have more to add?

Sarah Adler:

You brought up valid concerns. Let me say two things. Boston has had a linkage fee program since the 1980s. They currently charge \$12.75 a square foot for certain kinds of commercial office space, and Boston is still growing. A linkage fee is not going to kill a development economy. The second thing is housing prices, which have gone up 10 percent in Clark County and 27 percent in Washoe County in the last year with no linkage fee at all. They are driven up by the market. Unfortunately, the market will not provide affordable housing to the homebuyer population. They are going to have to earn it. What we are trying to do is create very specific designated funds through a very small contribution to go into that affordable housing to serve that population. Different populations agree that they are being asked to contribute, but the need is enormous.

Assemblywoman Black:

If we need teachers, we do not make it harder to become a teacher. If we need doctors, we do not make it harder to become a doctor. We make it easier. I gave you an answer. The answer is to reduce fees, reduce restrictions, reduce red tape, and make it easier for them to build, not make it harder for them to build.

Assemblywoman Summers-Armstrong:

I do not know what is easier. I am just unsure of what it is that you want to be easy. Water still has to be pulled; permits, electricity, all of those things are basic costs of doing business when you are developing. We do not want things to be easier to the point where we are endangering our environment or endangering the lives of employees who are working on job sites. I do not think that is the answer here.

I think what we are trying to express is that there has to be a plan, the plan must be comprehensive, and the money that is collected goes directly into providing what we are saying is a critical need, which is affordable housing. I have been here some 30-odd years. Houses have been built in southern Nevada without pause, even through a downturn and now through a pandemic. Houses are still being built. People are still buying houses.

Commercial buildings are still going up. We have to recognize that there is an impact from all of this activity on our community. They are linking. There is a clear linkage between what is happening with development and how it is affecting our communities.

Chair Flores:

Thank you, Assemblywoman Summers-Armstrong, I appreciate that. Members, what I do not want to do is entertain a hypothetical bill that is not on display. I understand that some of you may have a difference of opinion. Should there be a different bill, I understand that. If we could please focus our questions on the bill itself for the sake of time. We still have three more bills and a whole host of documents on work session. I just want to make sure we focus in on the bill itself. Ideologically, we can disagree, and I respect that. By no means do I think that you have to agree with this bill, but I do not want to go into a weird realm where we are talking about something that is not before us on the table. If you disagree with what is on the table, you have every right to ask questions after that. With that, members, any questions as to the bill, please? [There were none.]

Assemblywoman Summers-Armstrong, do we have anybody who is joining us virtually to testify in support of Assembly Bill 334?

Assemblywoman Summers-Armstrong:

Unless Ms. Hess is on the line, I am not certain. Ms. Adler, was she going to join you today?

Sarah Adler:

No, Ms. Hess will be handling Assembly Bill 331. I do not believe we have any folks in the Zoom room in our supporters, not that we have lined up.

Chair Flores:

With that, we are going to go to those wishing to testify in support of Assembly Bill 334.

Emily Paulsen, Executive Director, Nevada Homeless Alliance:

Thank you to Assemblywoman Summers-Armstrong and to our partners at the Nevada Housing Coalition for this well-researched policy approach to giving local governments the tools they need to increase our supply of affordable housing. We are in full support of A.B. 334. Affordable housing is a solution to homelessness. We need more affordable units in our community in order to take evidence-based intervention to rehousing families and individuals to scale. We know how to solve homelessness. We need more affordable housing built now in order to keep families housed and to rehouse them through proven programming. Local governments need more policy tools to build affordable housing, especially those that do not cost them resources. This option needs to be available to them right now more than ever. Thank you for your consideration and for supporting this important bill.

Warren Hardy, representing Urban Consortium:

Thank you, Mr. Chair and members of the Committee. The Urban Consortium is made up of the Cities of Las Vegas, Henderson, Reno, and Sparks. As a general rule, the Urban Consortium supports any enabling legislation that provides tools for local government to address challenges. Obviously, affordable housing is a challenge for all of those involved in government and providing solutions. As a rule, we maintain that often problems of governments are best solved at the level of government closest to the people. This legislation will give us the tools to reach out to the community and stakeholders, and to craft, at the local level, a solution to this problem. We appreciate the sponsors for bringing this forward and particularly in a way that enables local governments to have a say and make a decision adopting these measures. We do have nonsubstantive definitional issues that we will continue to work with the sponsor on. They are not substantive, just definitional. If it pleases the Chair, I will just indicate that my comments in support are for both Assembly Bill 334 and Assembly Bill 331. That will hopefully save some time on calling in. Thank you, Mr. Chair. I appreciate it. I look forward to continuing to work with the sponsors.

Eric Novak, President, Praxis Consulting Group; and Treasurer, Nevada Housing Coalition:

Chair Flores and members of the Committee, Praxis Consulting Group provides development finance assistance to affordable housing developers in Nevada. I strongly support A.B. 334, which would amend NRS 278.250 to include in lieu and linkage fees as new tools to local governments in addressing their pressing affordable housing needs. In lieu and linkage fees administered judiciously by a local government and grounded by a nexus study or comprehensive affordable housing plan could provide the essential gap funding to allow more affordable housing projects to proceed in Nevada. Based on the success of the Nevada Housing Division's pilot gap program, we, as finance consultants, know that a relatively small amount of public subsidy can leverage a large amount of private funds in order to produce new affordable housing in the state. This private investment would not come to Nevada but for this relatively small infusion of state and local subsidy. Further, monies raised by a local jurisdiction through in lieu and linkage fees could be used flexibly to address local housing concerns, be it preservation, special needs, or affordable homeownership.

Over the last several years, Nevada has lost affordable housing units almost as fast as it creates new units due to properties expiring out of their typical 30-year affordability restrictions or opting out early. Nevada's net increase of affordable housing over the last ten years has averaged 136 units a year. We have to do better. *Nevada Revised Statutes* 278.250 already includes inclusionary zoning as a tool. A local government in Nevada could mandate tomorrow that a housing developer makes, let us say, one out of every ten units affordable as an entitlement condition. Inclusionary zoning is used all over the country by local government to increase the supply of affordable housing in their communities. In lieu and linkage fees with the per square footage caps prescribed in the legislation provide an alternative to the heavy-handedness of inclusionary zoning. It could spread the cost over a larger development base and still contribute significant proceeds to a local housing trust fund.

In Reno where I live, Washoe County Commissioners created a housing trust fund two years ago. The proposed legislation might be a practical route to seeding that fund. We want, again, to strongly applaud Assemblywoman Summers-Armstrong for bringing forward these changes to the law, which we believe will help address our desperate need for more affordable housing. We urge the Committee to support A.B. 334.

William Brewer, Executive Director, Nevada Rural Housing Authority:

Good morning, Chair Flores and Committee members. I am grateful for the opportunity to come before this committee this morning in support of A.B. 334. Many thanks to Assemblywoman Summers-Armstrong for supporting this important legislation. We all know that developing housing in Nevada is an expensive proposition. No one wants to see it more expensive with additional fees. However, folks working with the service jobs that make our economy work as well as our seniors on fixed incomes deserve the opportunity to live in decent, safe, and affordable housing. If we want to continue to shop at Walmart, enjoy eating at our favorite restaurants, have someone to repair our streets, or to lead our classrooms, then we have a duty to assist in housing them in our communities. Our desire is to work throughout the spectrum of affordable housing from homeless to homebuyer to assist our rural neighbors in obtaining the housing they need. The Nevada Housing Division through its Home is Possible program and the Nevada Rural Housing Authority through its Home at Last program are providing homebuyers with assistance to purchase homes now. We do not see the enactment of this legislation as a barrier to new homebuyers. Assembly Bill 331 and A.B. 334 will provide local government with additional tools to work to help meet this mission. We urge you to support its passage. Thank you.

John Klippenstein, State Director, Faith in Action-Nevada:

Good morning, Chair Flores and members of the Assembly Committee on Government Affairs. Faith in Action-Nevada is a nonpartisan, multifait organization that organizes and advocates for racial and economic justice in both southern and northern Nevada. I am calling in strong support of A.B. 334 and with deep appreciation to the sponsor, Assemblywoman Summers-Armstrong. I will keep it brief. Our state has been faced with a housing crisis long before the pandemic. With the current resources we have to develop affordable housing, particularly for low-income and extremely low-income individuals, it would take us nearly a century to catch up to the current need. We need every possible tool that we could possibly use. We cannot wait any longer to clearly empower local governments to play a more significant role and ensure that all Nevadans have access to safe and affordable housing. I urge the members of the Committee to support and vote in favor of A.B. 334.

[Mr. Klippenstein also submitted [Exhibit F](#).]

Tess Opferman, representing Nevada Women's Lobby:

Thank you, Mr. Chair and members of the Committee. We are so appreciative of Assemblywoman Summers-Armstrong for sponsoring this legislation. This session, affordable housing is a top priority for the Nevada Women's Lobby because the housing shortage is affecting our lowest-income residents, many of whom are women and families. Stable housing is a foundation for holding steady employment and ensuring success in school

for children. We must be creative about solutions to ensure affordable housing is available and accessible. This will require direct action by our state legislators. We urge your support on A.B. 334.

Joanna Jacob, Government Affairs Manager, Clark County:

Good morning, Chair Flores. I will take your advice and say we are in support of this bill because it is enabling. It gives us some tools that we can consider whether they are right and how they could be right for our community. We are in support.

Will Pregman, Communications Director, Battle Born Progress:

Good morning, Chair and members of the Committee. I am speaking in support of A.B. 334 and A.B. 331. I will ditto many of the comments in support and simply say that these bills will enable our local jurisdictions to have tools to incorporate more affordable housing into their plans. It is clear that the current system that we have is not adequate and wages are far too low. We need to do something about this crisis now before it gets any worse. As I said, that is for both Assembly Bill 334 and Assembly Bill 331. Thank you very much.

Gillian Block, representing Nevada Coalition of Legal Service Providers:

We support Assembly Bill 334 because it is an important part of the housing crisis that we are facing, which has been exacerbated by COVID-19. What we found during the pandemic is that when people fell through the cracks of the eviction protections or were forced out of their homes because they did not realize there were eviction protections in place, there was no affordable housing to refer them to. The inability to secure new affordable housing is part of the eviction crisis, so we support A.B. 334.

Marlene Lockard, representing Service Employees International Union 1107:

We are in support of this measure and appreciate very much the sponsors for bringing this forward. The housing issue hits all levels of employees, and this piece of the puzzle will go a long way to helping provide housing for those who are in need.

Jared Luke, Director, Government Affairs, City of North Las Vegas:

Thank you, Chair Flores and members of the Committee. To your point, Chair, I will keep it short and if this testimony can serve as support for both A.B. 334 and A.B. 331, I would appreciate it. I want to thank the bill sponsors for bringing this forward, and I also want to thank Assemblywoman Summers-Armstrong for reaching out to the City of North Las Vegas and drilling down on what this bill intends to accomplish. North Las Vegas has made affordable housing a priority, and we could not simply sit back and not lend our support to those who are willing to take a stand to have the difficult conversation inviting all interested parties to the table to create a framework for change to the state's current affordable housing situation.

Doralee Uchel-Martinez, Private Citizen, Reno, Nevada:

Good morning, Chair Flores, and the rest of the Committee. Thank you to the sponsor of this bill, A.B. 334. I represent the Nevada Disability Peer Action Coalition. We support this bill, and I will take your point, Chair Flores. I ditto what others have said, and I appreciate the

sponsor of this bill. Her name escapes me now, but I remember her voice. People with disabilities, before the pandemic started, we have gone to the outside of the city where there is no transportation. This would enable us to have transportation where we can go to work and drop our kids at school. We appreciate the sponsor of this bill.

[[Exhibit G](#), [Exhibit H](#), and [Exhibit I](#) are letters in support of Assembly Bill 334 that were submitted but not discussed.]

Chair Flores:

Next caller in support of Assembly Bill 334. [There were no more callers.] At this time, we will go to those wishing to testify in opposition to Assembly Bill 334.

Peter Guzman, President, Latin Chamber of Commerce:

The Latin Chamber of Commerce wholeheartedly supports the concept of affordable housing, and we thank you for trying to address this difficult problem in our state. The Latin Chamber of Commerce considers affordable housing a priority for our members and their families. However, we must be careful of good intentions with unintended consequences. We have learned from other jurisdictions about zoning and linkage fees. They are not the most efficient ways to address this problem. We need affordable units now—no issue with that. We are working with our local elected officials and congressional delegation to address the problem through grants, low-income housing tax credits, and affordable housing bonding capacity. I ask you to please consider carefully before making housing even more expensive, which will have a lot more effects in a negative way. While we focus on things like innovation zones, let us also focus on affordable housing zones where there are fewer fees and obstacles so that dignified, affordable housing can pencil out. I believe that developers will figure it out if a zone like this allows for it. The Latin Chamber of Commerce believes that affordable housing can be achieved by fewer fees, more public-private partnerships, grants, and working together. Thank you very much for allowing me this time.

Nat Hodgson, CEO, Southern Nevada Home Builders Association:

I am here to testify in strong opposition to A.B. 331 and A.B. 334. Southern Nevada Home Builders Association (SNHBA) staff and our members work day in and day out on how to make housing more affordable in our state. We often remind policymakers that the price of a home is a fairly simple mathematic problem. The price of land, cost of materials, cost of labor, regulatory costs, and time equals your house cost. Just in the last 24 months, costs associated with utilities, agency processing time, land regulation, and supply chain issues have increased the cost of a home by between \$37,000 and \$45,000. Working families across our state face a market where fewer and fewer homes are available for their income. We have to remember that every \$1,000 increase in the cost of construction of homes prices out thousands of Nevadans; over 1,000 Nevadans are just priced out. Southern Nevada Home Builders Association and members are dedicated to working together with municipalities and stakeholders to implement commonsense policies that do not increase the cost of construction and price out folks interested in purchasing a home, but rather make sure that costs are always a net benefit to the future homebuyers.

We build what the local governments allow us to build. As a community, we must understand that there is a growing need for affordable housing, actually in the entire nation. Everyone needs to come together and help solve this community-wide challenge. Assembly Bill 331 section 4, subsection 1, paragraph (b), and A.B. 334 section 1 propose that new home construction be taxed solely to solve a community-wide issue. Over the last few years, southern Nevada homebuilders have only built around 11,000 homes. As you do the math, that is not going to resolve our issue. The new tax would attempt to require almost a projected 11,000 new homebuyers to solve the shortfall of over 80,000 units needed. Clearly, the building industry cannot solve this alone. Additionally, there are other members before this body that are being heard in other committees as we speak that can impose thousands of dollars in new costs to meet the state's greenhouse gas emissions goal. New homebuilders in southern Nevada are always at the table for important conversations, but the new homebuyer cannot solely bear the burden of every statewide need.

We ask you to oppose A.B. 331 and A.B. 334. It has been asked, What can be done? Increase planning and coordination to increase Southern Nevada Public Land Act parcels requested by local governments for affordable housing; height minimums and parking maximums to increase the number of affordable units built each year and is proposed to be incentivized under the Biden Administration's recently released housing plan; fast-tracking of affordable projects through the development process; matching federal low-income housing tax credits with state ones, which is proposed for extension by Senator Julia Ratti, which SNHBA supports. Assembly Bill 335 has better solutions and redevelopment strategies. Again, taxing new construction for a statewide issue is not the answer. Thank you, Chair and Committee.

[Mr. Hodgson also submitted [Exhibit J.](#)]

Chair Flores:

Before we go to the next caller, I may have accidentally skipped those joining us virtually who were hoping to speak in opposition. Do we have anybody joining us via video wishing to speak in opposition?

David Goldwater, representing Nevada Home Builders Association:

Thank you for accommodating us. Chair Flores and members of the Assembly Committee on Government Affairs, Nevada Home Builders Association is the umbrella organization under which both northern and southern associations reside. I am one of several advocates here in reluctant opposition to these bills, reluctant because I believe everyone here wants the same thing for hardworking Nevada families—to have access to affordable housing. We have seen some of Nevada's strongest leaders, like Senator Catherine Cortez Masto and Senator Jacky Rosen, work to address affordable housing using solutions like low-income housing tax credits, direct grants and appropriations, and rental assistance because affordable housing is a real problem in Nevada. We need affordable units now. While I commend the sponsors, Assemblywoman Summers-Armstrong and Assemblywoman Marzola, for their

attempt to address the problem, inclusionary zoning, fees in lieu, and linkage fees only add to the cost of housing. Without control over how the money is spent, history suggests fewer affordable units will be built and more working families will be priced out of the market.

Today, I have Brian Gordon, who will go through the analysis done by his firm that shows how important construction jobs are to the Nevada economy and how many working families will be priced out of the market for each thousand dollars of increased prices. Next, Matt Walker of the Southern Nevada Home Builders Association and Lindsay Knox of the Builders Association of Northern Nevada will take you through how both northern and southern Nevada are suffering from the same problem, but the impact of this bill would affect them differently. David Dazlich of the Vegas Chamber will share the business community's grave concern about this bill and how linkage fees and inclusionary zoning have been tried and failed in other jurisdictions. Lastly, Jonathan Leleu will make some important points about commercial and industrial development and how a new fee structure will drive away the very kinds of businesses and jobs we are trying to attract to Nevada.

I bring your attention, Mr. Chair, to three items we have placed on the Nevada Electronic Legislative Information System (NELIS). One is the Applied Analysis report that Mr. Gordon will be referencing [[Exhibit K](#)]. There are also two videos we put on NELIS [[Exhibit L](#) and [Exhibit M](#)]. Your members can watch at their leisure. I think they give a great background. Let me now introduce Brian Gordon from Applied Analysis to go over his portion of the report that is on NELIS.

Brian Gordon, Principal, Applied Analysis:

Chair Flores and Committee members, thank you for the opportunity to be here today. My firm was retained to review and analyze housing trends in the state of Nevada. Overall, our analysis also focused specifically on the residential construction industry, home pricing, and overall housing affordability [[Exhibit K](#)]. Mr. Goldwater just mentioned that my report has been submitted for the record. I do not plan to walk through in grave detail given time constraints and the full schedule that you have on your docket. I did want to focus on a couple of things.

I want to first talk about the economic impacts of the overall residential construction industry here in the state of Nevada and its relative importance. Despite the broader economic challenges that unfolded during this past year, the home building industry remained a critical element of the state's economy. Throughout the downturn, the residential construction sector continued to make investments in personnel to meet the state's growing demand. The industry directly employs 50,700 workers who earn, on average, in excess of \$68,000 per year, which is nearly 50 percent higher than the broader statewide average median private sector wage. The overall construction industry is the sixth-largest in Nevada and is directly responsible for roughly 6.5 percent of the state's private sector gross domestic product. More specifically, when you include the indirect and induced impacts of those positions in the residential construction industry, you are talking about over 75,000 jobs here in the state of Nevada. For every one direct job in the residential construction sector, you are talking about one and a half jobs created throughout the state's economy.

With regard to wages and salaries, the industry directly incurs about \$3.4 billion of wages throughout the state of Nevada. When you consider the ripple effect of those wages across the state, you are looking at a combined wage impact of about \$4.7 billion annually right here in the state of Nevada. Economic output, another one of those measures we look at in terms of the economic activity that takes place directly, the residential construction industry is responsible for about \$5.8 billion of output annually—pretty significant. When you think about the ripple effects of that throughout the economy, we are talking about over \$10 billion of economic activity. For every dollar spent within the state of Nevada's residential construction industry, you are talking about \$1.70 that ripples throughout the Nevada economy.

Housing affordability has been at the top of everyone's mind here as we talk about A.B. 334. It has become an increasing concern. Obviously, the two most urbanized portions of the state continue to be impacted by home price increases. The housing opportunity index—I do not think it has been talked about as of yet—is essentially a measure between incomes as well as the cost of homes that have continued to experience downward pressure during the better part of the past decade or so. We think back to the 2009-2013 time frame; about 80 percent of the houses that were sold in any given year during that time frame were affordable to the median household income during that time. As of late 2020, about 57 percent of the Las Vegas metropolitan area homes that sold would have been affordable to the median income family. The results were even lower in the northern portion of the state; the Reno metro area indicates that about 44 percent of the homes sold would have been affordable to the median income family.

The final element I just wanted to touch on, and you have heard some of this, is about homes that are being priced out of the market. I believe Mr. Hodgson from the Southern Nevada Home Builders Association mentioned this. There is a national report that refers to the impact of rising home prices and what that ultimately means for people living in the state of Nevada. Using some of the standard underwriting guidelines in terms of household incomes relative to interest rates and things of that nature that you have already heard about this morning and using the Nevada-specific data, every \$1,000 increase in the price of homes essentially prices out upwards of 1,500 people in any given year. When you combine that with a \$20,000 increase, you are looking at almost 30,000 people being priced out of the Nevada housing market.

I bring this point up just to demonstrate that there are tens of thousands of potential homebuyers who could be priced out of the Nevada housing market as a result of recent pricing trends. Again, it is important to note that the cost of new construction is continuing to experience upward pressure on pricing when you think about the cost of land, the cost of labor, the cost of materials, entitlements, and the timelines associated with entitlements. Prices are already on the rise. You talk about incremental costs associated with the housing development process that have the potential to further price folks out of the market.

That concludes my prepared remarks. I am happy to walk through any of the elements of our report. Thank you for the opportunity to speak to you today. There are additional members in line to speak.

Matthew Walker, representing Southern Nevada Home Builders Association:

Good morning, Mr. Chair and Committee members. I am thankful to the Chair for the opportunity to present our perspective on behalf of our members on these important bills. This morning, I am going to use my time to talk about why the taxes proposed in A.B. 334, while well-intentioned, are fundamentally flawed. *Nevada Revised Statutes* Chapter 278 and Chapter 278B have been around for decades, much longer than the legislative building that Committee members are seated in this morning. Over the last eight decades or longer, there has never been a tax or fee assessed under NRS Chapter 278 or 278B that has been assessed to a parcel that is not for the direct benefit of the parcel from which it is collected. Many impact fees are assessed by local governments in southern Nevada to pay for roads, fire and police stations, parks, sewer, water services, and flood control. These fees are all collected and connected to the demand driven by the new development of the parcel from which it is collected for the direct benefit of the future resident of that new home.

While there is nothing about building a new home, paying an average wage of over \$5,000 a month that is driving demand for affordable housing, there is no link between the development of a new home and the demand for affordable housing. While linkage fees have been capped by the sponsor, the fees in lieu of inclusionary zoning taxes are completely uncapped. This is a much more technical comment. Any attempt to address a community-wide need through a change to this chapter is a radical departure from the state's policy. It will be very challenging to implement at the local level and should be carefully considered by this Committee before processing.

Furthermore, we build what the local government rules allow us to build when economic fundamentals of a project are sound. As long as local governments have large swathes of the valley designated for one or two homes per acre; as long as the local government is in support of this bill, advertising on their website that they have the lowest property tax in the region; and as long as parking minimums and building height maximums are the norm, I do not think it is fair to say that local governments have used the existing tools in their toolbox at the level that would necessitate policies such as the ones proposed in this bill. Thank you for the opportunity to speak this morning. I will now pass the virtual microphone to Lindsay Knox, who will speak to the northern Nevada perspective.

Lindsay Knox, representing Builders Association of Northern Nevada:

Good morning, Chair Flores and members of the Committee. I am here today in opposition to A.B. 334. Home prices throughout the country are high; Nevada is no exception. The reasons for high home prices are easy to identify. Interest rates are near historic lows, the influx of new residents is skyrocketing, and perhaps most importantly, the supply of new homes for sale is extremely tight. There are several reasons why the supply of homes is so limited in a hot market: specifically, the limited availability of land; the high price for materials, particularly lumber; limited labor market; and the sheer length of time it takes to

take land through the development process to finish a home. The decision to build and sell a home is not a simple one. It requires the purchase of land, the necessary entitlements, and construction of all necessary infrastructure, including water, sewer, utilities, and roads. Many projects in northern Nevada have taken several years to go through the entitlement process.

Homes on the market today were planned several years prior, at a time when nobody anticipated the events of 2020 and the resulting demand for homes. The answer to affordable housing lies in adopting policies that increase housing supply. We should encourage the passage of federal land bills that open new areas for housing development and expect our local governments to find ways to say "yes" to more homes by promoting cooperation and partnership between builders and local governments.

In northern Nevada, there are some recent examples of builders agreeing to concessions which include dollars dedicated to affordable housing funds and the construction of publicly owned infrastructure and public safety facilities. If A.B. 334 were passed, it would have potential harm based off the cooperative relationships between builders and local governments to fund the necessary infrastructure and facilities. Recent projects in Reno have provided millions of dollars in concessions to affordable housing trust funds that are building affordable homes in Reno. The presenter stated that \$500 to \$1,000 per new home permit concession is a one-off; that is not the case. Every recent project has had this fee attached to it. Several of these projects have included commitments to provide significant rental housing at 80 or even 60 percent of area median income. Simply put, builders and developers recognize the current challenge with affordable housing and are ready to step up and do their part. Thank you.

David Goldwater:

Now, Mr. Chair, I would like to hand it over to David Dazlich of the Vegas Chamber.

Chair Flores:

Understood. I just wanted to give everybody a heads up on the time. We are at 17 minutes and 13 seconds. We are getting close to that 20-minute mark. I just wanted to put that on your radar.

David Dazlich, Director, Government Affairs, Vegas Chamber:

Thank you, Chair Flores and members of the Committee. We are here today in opposition to Assembly Bill 334. As you heard from my colleagues in the building industry, this legislation would increase their costs and slow build timelines for residential and commercial developments at a time when we need to be focusing on preserving and expanding jobs. We are concerned that the increased cost of buildings will slow job creation in the construction sector in the longer term while also increasing housing prices and rents in the short term. In Nevada, our residential market has already been feeling the squeeze of limited supply as added external pressures from out-of-state buyers have contributed to rising housing prices in recent years. It is imperative that we ensure a sufficiently affordable, market-rate housing supply to allow residents the opportunity to enter the property ownership ladder.

In studying the effects of linkage fees and inclusionary zoning in Los Angeles, Dr. Christopher Thornberg, Director of the University of California Riverside's School of Business Center for Economic Forecasting and Development, concluded, "When supply is artificially limited, what does get produced is going to be concentrated in the highest-margin portions of the market. If supply were less restricted and fixed costs reduced, there would be a natural movement towards lower-income families." But in Los Angeles, the overall lack of supply keeps low-income families in housing that would otherwise be available for lower-income families.

It is important to consider also that residential construction drives other sectors of the economic tax base in Nevada, such as retail, which considers residential rooftops as a primary factor in decisions to build new stores. For the commercial piece of A.B. 334, it is important to consider that debt service alone on the new bills will lead to increased rents for small businesses that occupy those office parks, which will slow growth and will slow the hiring of employees. In Nevada we have seen positive results when commercial developers are incentivized, not penalized. The City of North Las Vegas has shown that streamlining the development process can successfully bring new and diversified jobs and businesses to the area.

Finally, the Vegas Chamber would like to emphasize that Nevada is a Dillon's Rule state. We have long held the position that taxation decisions must rest with the state Legislature. We believe that this legislation gives de facto taxation authority to local governments. The Vegas Chamber has concerns about ceding taxation authority, especially industry-specific taxation authority, to local governments. Assembly Bill 334 will lead to increased housing costs and slower economic growth, the opposite of what is necessary in the wake of economic hardship caused by the COVID-19 pandemic. The Vegas Chamber is in opposition to Assembly Bill 334, and we urge a "no" vote.

David Goldwater:

Thank you, Mr. Dazlich. Lastly, we have Jonathan Leleu for National Association of Industrial and Office Properties.

Chair Flores:

I will put on the record that we have hit the 20-minute mark. Because we have you already on Zoom, could I just have you state your name? Submit anything in writing that you would like, and we will just let you state that you are in opposition. Could you please refrain from reading all of your remarks as we have already hit the 20-minute mark?

Jonathan Leleu, representing National Association of Industrial and Office Properties:

Good morning, Mr. Chair and members of the Committee. I am standing in opposition to A.B. 334.

[[Exhibit N](#), [Exhibit O](#), [Exhibit P](#), [Exhibit Q](#), [Exhibit R](#), [Exhibit S](#), and [Exhibit T](#) were submitted but not mentioned and are included as exhibits.]

Chair Flores:

I apologize to those of you logged in. I went straight to the phone lines, inadvertently taking some of that time. It was not intentional. Along with the two callers, in total we have 11 in opposition to Assembly Bill 334 who were wishing to speak and who were on the lines. I wanted to make sure that was reflected on the record. I also encourage all of you to just submit a quick email and/or anything in writing to our committee manager, Ms. Judi Bishop, to ensure you get to be added on the record. We will be having the hearing on Assembly Bill 331 following Assembly Bill 334 for those of you who did not have an opportunity to express some concerns. Obviously, Assembly Bill 331 will give you an opportunity to do so at that time. I apologize, but we did hit the 20-minute mark. Support took right around 12 minutes and 13 seconds. I think some of the dittos helped them kind of get a lot of their folk on the record. At this time, we will move to neutral on Assembly Bill 334. [There were no callers.]

Thank you. Assemblywoman Summers-Armstrong, do you have any closing remarks?

Assemblywoman Summers-Armstrong:

I just wanted to give my sincere thanks to you and the members of the Assembly Committee on Government Affairs. This has been a challenging issue, but it still needs our consideration. Unless Ms. Adler has anything to add, I just want to give my thanks and hope that we have made our case.

Sarah Adler:

I have nothing to add. Thank you, Chair.

Chair Flores:

Thank you all. Members, I appreciate everybody engaging in this obviously very difficult conversation. While there may be differences in ideology and approach, I think we all agree that we have a housing crisis in the state. We have a responsibility to try to address it. With that, we will close out the hearing on Assembly Bill 334.

At this time, we will open the hearing on Assembly Bill 331. We have Assemblywoman Marzola joining us. Good morning to you and welcome.

**Assembly Bill 331: Makes various changes to provisions relating to affordable housing.
(BDR 22-807)**

Assemblywoman Elaine Marzola, Assembly District No. 21:

I am here today to present Assembly Bill 331, which makes various changes to provisions relating to affordable housing. I appreciate all of the support and opposition to my bill before I even present it. It makes me happy to know that I did bring everyone to the table for a discussion. On a more serious note, as you well know, Nevada has one of the toughest markets for affordable housing in the nation. Despite recent efforts of federal, state, and local governments to address the issue, the problem has not improved. If anything, it has gotten worse. During the pandemic, the median cost for housing increased at an all-time

high in Las Vegas and in Reno to \$345,000 and \$500,000, respectively. The fallout from rising prices has resulted in a severe shortage of available housing for Nevada's lowest-income renters. Right now, Nevada needs over 84,000 affordable housing units.

Affordable housing, as defined by the United States Department of Housing and Urban Development, is housing for which the occupants are paying no more than 30 percent of their income for gross housing costs. It is estimated that over 124,000 households are paying over 50 percent of their household income for rent alone. There are just not enough low-cost housing units for the families that need them. According to the National Low Income Housing Coalition, Nevada has roughly 20 affordable and available homes per 100 renter households who earn less than 30 percent of the area median income. That is about half the national level, which has about 37 homes per 100 extremely low-income households. The burden of high housing costs is especially troublesome for low-income households. High housing costs force families to make difficult decisions: Do I pay my rent or do I buy groceries? Do I pay my car payment? Do I fill my prescriptions or take care of other vital expenses? Let us not talk about if there is any emergency, right? Faced with unforeseen bills, medical expenses, a car repair, or any other kind of emergency can put them into a significant financial hardship that can spin out of control, even leading to homelessness and further housing instability. As costs go up, those seeking housing on the low end tend to get pushed out of the market altogether. A recent analysis found that in Nevada there are about 23 homeless people for every 10,000 residents, the eighth-highest rate of homelessness in the nation. The total homeless population is 7,169, including 6,614 individuals and 555 families with children. Roughly 53 percent of the Nevada homeless population is living unsheltered.

If there is anything we can learn from recent efforts to address the affordable housing issue, it is that it cannot be fixed by federal, state, or local governments unto themselves. We need an all-hands-on-deck approach. By working together with the private sector, we can build a partnership that will make a significant difference to our Nevada families. This bill provides clarity that local governments have the tools they need to advance affordable housing strategies that work for their community. Assembly Bill 331 adds payments in lieu of the performance of an obligation and linkage fees to the list of tools that local governments can implement for maintaining and developing affordable housing per their master plan. This bill also requires local governments to report to the Housing Division of the Department of Business and Industry the estimated number of units of affordable housing it expects to maintain or develop in the next five years and adopt specific measures from the list that a city or county will use to maintain or develop that number of units of affordable housing. Finally, in establishing criteria for the distribution and use of money from the account for affordable housing, the Housing Division must consider the progress that local governments have made or any formal commitments made by the local governments in maintaining and developing Tier 1 and Tier 2 affordable housing. Chair, at this time, I would like to turn over the presentation to Christine Hess to present the bill and amendment overview.

Christine Hess, Executive Director, Nevada Housing Coalition:

Good morning, Mr. Chair and members of the Committee. Thank you, Assemblywoman Marzola; you are so right in your assessment of our affordable housing crisis here. I am grateful to be here with you all to outline how the enhancements in A.B. 331 are critically important to strategically advancing affordable housing in Nevada. The Nevada Housing Coalition appreciated the book of reports that all of you, as legislators, sift through to gain a deeper understanding of the many issues at hand. That said, if you have not yet read the annual housing progress report that is compiled by the Housing Division, I strongly encourage you to do so. While it does not capture the important work being done in our rural areas or by some of our other larger players, like our state capital, it does provide an understanding of the progress our jurisdictions larger than 100,000 are making. The reporting jurisdictions include, per statute, Clark and Washoe Counties, and the Cities of Henderson, Las Vegas, Mesquite, North Las Vegas, Boulder City, Reno, and Sparks.

For example, in this year's report you will see, for at least this one year, we actually saw the needle move for affordable housing. This was related to the huge influx—tens of millions of dollars—of federal funding for rental assistance due to the pandemic. You will also see that in 2020, there was a net of just 616 units for the reporting jurisdictions. Just a few weeks ago, the Nevada Housing Division economist, Elizabeth Fadali, presented the 2020 report and observed trends to over 100 housing stakeholders across the state. Our state housing economist gave us the good news that we have over 4,000 units in the pipeline. However, she also made the observation that our inventory, over the past six years, has actually decreased. It went from a total inventory of 29,493 affordable units in 2014 to 29,074 in 2020. This is due to the fact that affordable units are exiting the inventory faster than we can build them. To build affordable housing takes time and very complex layering of multiple different financial resources. Yet, as Assemblywoman Marzola referenced, we have a need for more than 84,000 affordable units for extremely low-income Nevadans. They are represented by over 100,000 Nevada households. Make no mistake, your consideration of two additional tools this morning to address the shortage and strengthen planning are critically important. I thank you for your time.

Assembly Bill 331 proposes revisions that will strengthen the planning and accountability for the jurisdictions that are already required to include an affordable housing element in their master plans [page 2, [Exhibit U](#)].

This bill, as Assemblywoman Marzola noted, will ensure expanded capacity of our larger jurisdictions to make meaningful progress on affordable housing production and preservation; direct them to set a nonpunitive five-year target that is included in their annual reporting; and direct the Nevada Housing Division to give consideration of their progress when distributing their funds. The bill does not mandate that the jurisdiction use any one certain tool, such as inclusionary zoning, for example, nor does it enact fees of any kind.

Since we have already had a good and robust conversation about the additional tools, I am going to go right into the revisions in *Nevada Revised Statutes* (NRS) 278.235, section 4. On this slide, you see the 12 measures that are currently part of the toolbox the jurisdictions are

reporting on for progress, paragraphs (a) through (l) [page 3]. I highlighted, in red, those that actually cost the jurisdiction money or value, not to mention the administrative costs when it is passed through funding [page 3, [Exhibit U](#) is not highlighted]. The other measures not highlighted are fiscally neutral. The new measures added include paragraphs (m), (n), and (o). Paragraph (m) adds inclusionary zoning as a measure. Of course, inclusionary zoning is already allowed in statute, but by including it as a measure here, we can measure and track the affordable housing preserved or developed because of this policy, if a local government chooses to implement it. Paragraphs (n) and (o) add the two new fees, fees in lieu of inclusionary zoning and linkage fees, to the measures. By adding these two measures, that would actually build the local jurisdiction's financial capacity. They now have a more balanced suite of measures to address their affordable housing shortages.

The proposed revisions here under section 4, subsection 3, are the heart of the strengthened planning required by [A.B. 331](#) [page 4]. Although internally many of the reporting jurisdictions are already doing this, [A.B. 331](#) requires that the reporting jurisdictions set five-year targets or goals for their affordable housing production and preservation. It also requires that they identify the tools they anticipate utilizing. These are nonpunitive. Additionally, it gives the report added exposure to key lawmakers, like you, as recipients of the report when you are in session.

Finally, as noted earlier, the five-year forecasts are nonpunitive for their report jurisdictions [page 5, [Exhibit U](#)]. However, [A.B. 331](#) proposes revisions to section 5 of NRS 319.520. The Nevada Housing Division, as administrator of the state affordable housing trust funds, is directed to consider the reporting jurisdictions' progress as part of the criteria when awarding funding.

As noted when Ms. Adler started the presentation on [A.B. 334](#), there is no silver bullet for our affordable housing crisis [page 6]. [Assembly Bill 331](#) is part of a comprehensive policy approach to activate all levers. This is, as Assemblywoman Marzola said, an all-hands-on-deck crisis. We cannot continue to build a deficit instead of housing.

Thank you again, Mr. Chair and Committee members. We respectfully ask for your consideration and support of [A.B. 331](#). Also, a huge thank-you to both Assemblywoman Marzola and Assemblywoman Summers-Armstrong for their leadership in taking on affordable housing in this comprehensive approach.

Chair Flores:

Thank you for your presentation. Members, we want to refrain from asking any questions that were already addressed during the presentation of [Assembly Bill 334](#). I understand that there is a lot of similarity between the two bills. Could you focus on the portions of the bill that have not yet been addressed? Assemblywoman Marzola, do we have an amendment on file, and have we walked the members through that?

Assemblywoman Marzola:

We do have an amendment on file [[Exhibit V](#)]. It should be on the Nevada Electronic Legislative Information System already. Yes, Ms. Hess did walk us through it.

Chair Flores:

Just to clarify, members, Assemblywoman Marzola was in fact referring to the amendment itself and not the original text. With that, we will move on to questions. Members, do we have any questions on Assembly Bill 331 that were not addressed in the previous hearing on Assembly Bill 334? [There were none.]

With that, I am going to go ahead and open the support testimony on Assembly Bill 331.

Paul Catha, Political Organizer, Culinary Workers Union Local 226:

Good morning, Chair and members of the Committee. The Culinary Union supports Assembly Bill 331. The COVID-19 pandemic has hit Culinary Union members and their families incredibly hard. The hospitality workers are slowly returning to working, but tens of thousands are still unemployed and struggling with housing insecurity. This past March, the Culinary Union has worked with our housing fund and other organizations to keep workers in their homes. Unfortunately, there are still too many Nevadans who have lost their homes during the pandemic. Nevada must increase the availability of affordable housing in order to ensure that every Nevadan has the stable housing that they deserve. Providing for long-term planning and accountability measures surrounding affordable housing is a necessity.

Furthermore, providing local governments and developers with more options to support the development of affordable housing is simple and sensible public policy. In the middle of this pandemic, working families and people of color have been disproportionately impacted by housing insecurity, and A.B. 331 is a step in the right direction towards rectifying that. The Culinary Union believes that every Nevadan deserves to be treated with dignity and that housing is a human right. Nevadans should not have to decide between having food on the table or a roof over their heads. The Culinary Union urges the Nevada Legislature to pass and support A.B. 331. Thank you.

John Klippenstein, State Director, Faith in Action-Nevada:

Good morning, Chair Flores and members of the Committee. I am calling in strong support of A.B. 331 for many of the same reasons I mentioned in my previous comments related to A.B. 334 [[Exhibit F](#)]. I would like to specifically point out that by clearly empowering and enabling local governments to enact inclusionary zoning if they so choose, A.B. 331 moves towards a more proactive and equitable housing policy. The current housing policy structures in Nevada and many other places in the country are inherently holding up systemic racism by perpetuating market-driven development that disproportionately impacts and displaces communities of color. The current status quo exacerbates long-term racial inequities. Without proper zoning tools that can address those inequities, the unfairness that is already a part of our housing system, those inequities, will continue to grow and increase. Communities in our state who are bearing the brunt of COVID-19 and who are bearing the brunt of many inequities in our education and health care system will continue to bear that in

that housing market. Assembly Bill 331 is an important step in creating a more racially just Nevada. In addition to creating more affordable housing, I would ask that you support it for that reason as well. We urge your strong support for A.B. 331.

[Mr. Klippenstein also submitted [Exhibit W](#).]

William Brewer, Executive Director, Nevada Rural Housing Authority:

I appreciate this opportunity to come before the Committee this morning in support of A.B. 331. Many thanks to Assemblywoman Marzola for bringing this important legislation forward. It is not any secret that Nevada is in desperate need of additional affordable housing options. There is no single solution to this problem. Assembly Bill 331 will simply provide additional tools for local governments to be able to use in creating or preserving additional affordable housing. We urge you to support its passage.

Bruno Landivar, representing Nevada Hispanic Legislative Caucus:

Good afternoon, Assembly Committee on Government Affairs. I am testifying in support with the Nevada Hispanic Legislative Caucus. Assembly Bill 331 allows local jurisdictions or regions to choose to enact fees in lieu of inclusionary zoning and to enact a linkage fee on residential, commercial, and/or industrial development to assist in creating affordable housing needed as a result of the direct and indirect jobs created by that type of development. That is why we urge you to pass A.B. 331.

Gillian Block, representing Nevada Coalition of Legal Service Providers:

Thank you, Chair Flores. I am testifying in support of A.B. 331 on behalf of the Nevada Coalition of Legal Service Providers. Affordable housing is an important part of tackling the eviction crisis and as such, this bill is critically important. We support A.B. 331.

Tess Opferman, representing Nevada Women's Lobby:

Thank you, Mr. Chair and members of the Committee. We spoke in support of A.B. 334 and want to be noted on the record in support of A.B. 331 as well, for the same reason I already said in my earlier testimony. For that reason, I will keep my comments brief and urge your support on this bill.

Marlene Lockard, representing Service Employees International Union 1107:

Good morning, Mr. Chair and Committee members. As I stated in the previous bill, we support A.B. 331 and feel it is another important piece of the entire effort to attack and try to change and make available affordable housing for all of us. Thank you so much, and we appreciate the bill sponsor.

Hope Tingle, Private Citizen, Carson City, Nevada:

I just want to say, as a person of faith, I support both A.B. 331 and A.B. 334. I formerly sat on the Carson City Planning Commission and they can tell you that one of my huge buttons is affordable housing and how we can create a situation that makes housing an essential part of people's day-to-day lives. It is a social determinant of health, and when you do not have

housing that you can count on, then you are always stressed out about something. I just believe in these two bills. I thank the sponsors so much for these two bills. I would really appreciate all of you giving some serious consideration to passing these two bills.

[[Exhibit G](#), [Exhibit H](#), and [Exhibit I](#) are letters in support of Assembly Bill 331 that were submitted but not discussed.]

Chair Flores:

Thank you so much for joining us. Next caller in support of Assembly Bill 331. [There was no one.] At this time, we will go to those wishing to testify in opposition to Assembly Bill 331.

Nat Hodgson, CEO, Southern Nevada Home Builders Association:

Good morning, Chair Flores and Committee members. To please the Chair and the Committee, I will just say that my testimony that I had on A.B. 334 in opposition is the same [[Exhibit J](#)]. I am opposing A.B. 331. Again, I just want to point out that there are tools in the toolbox that have not been used. I urge us to focus on that. Thank you.

David Goldwater, representing Nevada Home Builders Association:

Thank you, Chair Flores. Rather than repeat the previous testimony that we had on Assembly Bill 334, we would like to associate my words, Mr. Gordon's words, and Mr. Dazlich's words with this bill as well. In addition, Mr. Leleu would like to give a perspective on the commercial and industrial builders. Then we would like to move over to Mr. Walker, who might give us a very good rundown of what NRS Chapter 278 has meant to local governments and planning in this state.

Chair Flores:

Thank you for joining us, Mr. Leleu. I know you wanted to testify previously, and you did not have an opportunity to do so. I think we can come back to you now, at this time, and give you that opportunity should that be the desire of those of you wishing to speak in opposition.

Jonathan Leleu, representing National Association of Industrial and Office Properties:

Good morning, Mr. Chair and members of the Committee. We represent over 700 members of the commercial development industry, which has not yet been heard from. I do want to associate my comments with both Assembly Bill 334, which was previously heard, and Assembly Bill 331.

I want to start where we agree, and that is why we are here today to address a human rights obligation that has been really ignored up until this point. To that end, we do want to thank the sponsors, Assemblywoman Summers-Armstrong and Assemblywoman Marzola, for bringing forth these bills. That said, we do assume from the testimony and conversations which have surrounded Nevada's flawed tax structure that the municipalities have told the sponsors the same things they have told us and the same things they have told the Affordable Housing Coalition, and that is that they are broke. There are no financial numbers. They

have not presented any financial numbers of how much money is needed. Honestly, we were only presented this bill language by Ms. Adler on deadline day, March 19, 2021. We have only had about three weeks to associate ourselves and our members with this language. Nobody had talked to us before that point. In response, NAIOP [National Association of Industrial and Office Properties] is putting together a report and a study, but it is not yet ready. Again, we have had three weeks, and we will present to this Committee, even though there are deadlines associated with that, once the report has been done.

Nevada has a broken tax structure. We have been very vocal about that. It is particularly broken with respect to property tax, and NAIOP has publicly supported property tax reform for six years, most specifically with regard to Senate Joint Resolution 14 of the 79th Session. These bills do not address the programs that they intend to fund or how to equitably fund them. They rest the entire funding burden for a statewide and regional human rights problem on a single sector of a single industry, new development, and specifically commercial development. Proponents are saying that there is a link between commercial development and housing shortages. That is not correct. Development is reactive. It meets market demands and when it cannot keep up, that is what causes prices to go up. The links that have been presented are just false.

Anecdotally, one member of NAIOP, a developer of commercial industrial space, has nine employees and based on the projects that they have under development, these bills would cost approximately \$40 million. We understand that there is an amendment. That number would go down to \$24 million. That number is not insignificant. We need to know where this money is going and why it is needed. That is just from one developer. Another developer mentioned that development of commercial industrial costs \$50 per square foot. Again, these bills, as drafted, amount to a 10 percent tax on commercial industrial. A 300,000-square-foot project would reap \$1.5 million before dirt was even turned. We have heard a lot about Amazon and the employment center that it is. That is true. We are very proud of Amazon. For every Amazon, there are another five 300,000-square-foot warehouses with eight employees. Simply put, these fees are not only not linked, they are not even related to what the actual numbers affecting commercial development are. Because these issues have not been fully vetted, they endanger the industry and may have the opposite effect of their intent. They will continue to contribute to the feel that Nevada is an economic development flyover state.

As was mentioned, many of these additional costs are pass-through costs. They will go directly to business. Again, how much money is needed? Where will it go? Who are the stewards of the money? This body has been a hard "no" on fiscal home rule, but now it is considering dropping substantial sums of money to municipalities, many of whom were just on the phone testifying in support without any expression of need or cost. There are ways to do this, and NAIOP stands ready to help and be part of that conversation and NAIOP has already put its money where its mouth is and stepped up to the plate on property tax reform. We have never said no. We have presented a broad-based solution and are waiting for someone to respond. These bills, as written, are bad policy. For that reason and that reason alone, NAIOP is opposed. The discussion is not over.

Also, NAIOP wants to thank Assemblywoman Summers-Armstrong and Assemblywoman Marzola for meeting with us and offering to continue the conversation with us. We will take them up on their offers. Assemblywoman Summers-Armstrong gave me her cell phone number, and we intend to use it. Thank you to both for addressing this human rights obligation. As NAIOP takes its responsibility very seriously, we look forward to further conversations, and thank you, Mr. Chair.

David Goldwater:

I would like to bring Mr. Walker in to give a little bit of a background on what we have in Nevada on NRS Chapter 278 and how that has benefited our state and may be threatened by the passage of this bill.

Matthew Walker, representing Southern Nevada Home Builders Association:

I would like to associate my comments on the previous bill with this measure as well and reemphasize that linkage fees and other impact fees are always to the property for the benefit of that current or future property owner. They are also assessed at building permit. While there may have been some conversation on the record about the ability to customize, think through, or somehow have the payment be made over time, that is simply not the way impact fees work. I am confused as to how a low and predictable fee charged at building permit is compatible with some of those comments.

Additionally, I would say that the scenario outlined in the previous bill presentation regarding the public resources required for new development is simply not reflective of my experience in southern Nevada. In this scenario where the master developer has roads, streetlights, et cetera, they built that road; they built those streetlights at no cost to the local government. Then they turn them over to the local government for public benefit.

Additionally, because of our property tax structure, new residential units are the only units that must come on the rolls at full value and will receive no income, contingency, reductions, or other caps and exclusions associated with other types of structures. I have no doubt that in our urban areas such as Assembly District No. 6, they are absolutely subsidized, and the services they receive and the roads that are present in those communities are absolutely subsidized by the development of new homes. Again, we find that this fee associated with NRS Chapter 278 is inappropriate for that matter.

Additionally, as Mr. Hodgson outlined, these fees are so variable that they absolutely cannot be bonded off of. They cannot be anticipated. We have built 300 units in some years. We have built 27,000 units in some years in southern Nevada. It is simply not an appropriate source of income to bond and supply a community-wide housing infrastructure need based on this type of fee. Thank you very much.

David Goldwater:

Just in summary for our presentation, we all share the same goal and again want to commend the sponsors for attempting to come up with a viable solution. I think we have shown pretty clearly that it is counterintuitive to think that increasing fees on something will lower the cost

for somebody else. I think we have also shown that laying this burden on a single industry for a community-wide problem is also an issue. I think Mr. Walker pointed out very well some of the things that happen in NRS Chapter 278 and its history that are not congruent with what is going on in Assembly Bill 331 or Assembly Bill 334. We really thank you for the courteous treatment that the opposition has shown. We would love to continue to work with the Committee and sponsors on some of the other suggestions that have been made. We are happy to answer questions at this time.

Jimmy Lau, representing Nevada Contractors Association:

Good morning, Chair Flores and members of the Committee. Unfortunately, I was not able to get in the queue for Assembly Bill 334; however, our comments apply to both Assembly Bill 331 and Assembly Bill 334. The Nevada Contractors Association is opposed but remains committed to working with stakeholders on a solution. We would like to thank the Assemblywomen and sponsors for meeting with us and look forward to future discussions.

Aaron West, CEO, Nevada Builders Alliance:

On behalf of the over 1,000 construction companies in the state of Nevada, we are here in opposition to Assembly Bill 331 and Assembly Bill 334. Thank you for allowing me to share my comments for both bills. I want to thank the bill sponsors and the presenters for recognizing a couple of key things. One is we have drastic affordability issues with housing and construction in general in the state of Nevada. A lot of those are materials, labor, and a lot of those are regulatory. The idea of adding to that regulatory cost in order to try and affect affordability seems counterintuitive. Also, I appreciate their recognizing our terribly flawed property tax system. Right now, if it was not for new development, we hear a lot of times that new development is paying their way. New development is the only industry that is paying its full boat from a property tax perspective. We literally have communities in our state where new houses are paying \$7,000 a year for property taxes and a similarly priced house in an older part of town is maybe paying \$1,500. There are severe inequities within our property tax system, and we believe that is a more appropriate place to try to address these issues.

Also, I would like to thank the presenters for being transparent about the target of this proposed impact fee in that they are really targeting the employers that are, which they perceive as, not paying a livable wage. If we go back to that idea, the problem of this bill is that it completely ignores the disconnect between the employers, the wage payers, and who actually owns the buildings. The goal is to exact this fee out of Amazon because they do not feel they are paying a sufficient wage. The reality is that Amazon does not build that building. Amazon does not own that building. These buildings are put up by developers. If you build half a million square feet, as was pointed out earlier under the amendment, you are talking about a \$1.5 million impact fee. That could be occupied by somebody who is doing advanced manufacturing and paying \$40 an hour or an e-commerce distribution type of company.

This also does not take into account how we address financing such a large burden on construction. Appraisals are not keeping up as it is. How are we going to be able to roll that into any funding stream for new construction? The thing that I would like the Committee to consider is that if new development really is the problem that is creating this situation, what if development stopped tomorrow? The reality is that if all development stopped tomorrow, we would still have this affordable housing issue. Let us figure out how to address this issue and not on the backs of the ones that are actually paying more than their fair share. Thank you very much for your time and consideration.

Nicole Bloom, Division President, Richmond American Homes of Nevada:

I am calling to testify in opposition to A.B. 331. I began my career here at Richmond American in 2000 as a sales associate and over the years was able to grow into the position that I am in today. One of the significant parts of our company is that there is always room to grow. We treat our employees and buyers like family and ultimately want our customers to benefit from working with us. Over the last 20 years, I have seen the southern Nevada market change exponentially, some changes with a negative impact, but most changes have definitely benefited our community. As a builder, we concentrate our efforts on entry-level and first-time buyers, specifically offering as many homes as possible in the Federal Housing Administration (FHA) range, along with VA [United States Department of Veterans Affairs] and conventional financing. Specifically, over the last few years our division has focused on bringing even more affordable products to the market. Today, 15 percent of our homes are either duplexes or single-family attached, the types of products that are most affordable for families in southern Nevada. Our goal is to sell a home to every walk of life and hit every price point as a company. Our efforts are to help folks create their dream lives in their new homes.

Over the last few years, land prices have increased, and housing has become less affordable. Homebuilders are now facing upwards of \$650,000 to \$700,000 an acre in non-master planned communities. The artificial lack of supply of land is why United States Senator Cortez Masto's federal land bill is so crucial to our future. Our average price right now is \$450,000, which we are trying in earnest to bring down, but it has been very challenging based on escalating land and hard costs, such as lumber that has gone up roughly 200 percent in the last year. I see no indication that is going to come back down any time soon. Additional housing taxes, such as A.B. 334 and A.B. 331, would cripple the home building industry further and continue to price homebuyers out of the market. In the last few years, we have designed and built a great product in our urban duplex attached product that we are currently selling for \$305,000, which is well below the FHA range. We started building it in Cadence and now we are able to build it in the Summerlin community. It is selling faster than we can even build them. Unfortunately, this unique product type, which is affordable, can only be built in certain communities because of local government zoning codes and rules.

Our staff has worked with the home building associations and municipalities, such as the City of North Las Vegas, in planning and development to bring various affordable products to the market. We currently build in 17 different markets across the United States. Through discussions with my colleagues, they learn about different and diverse markets and see how

local governments can either enable or hinder smart growth. We need to find a solution to create more affordable housing through public and private partnerships that benefit all those involved. We cannot do it alone. The municipalities cannot do it alone. Inclusionary zoning has not worked in many of our other markets where Richmond American currently builds, such as the Bay Area, where most of the municipalities have inclusionary zoning or linkage fees and produce average sales prices well in excess of a million dollars. Nevada is not quite at that point, and none of us ever want to see the prices go that high. I speak for Southern Nevada Home Builders Association members and the home building industry; we have been at the table, are at the table, and continue to be at the table to create solutions for this need. I urge you to vote "no" on A.B. 331 and not put additional fees and taxes on our developments.

Alexis Motarex, Government Affairs Manager, Nevada Associated General Contractors:

Nevada Associated General Contractors is opposed to both A.B. 331 and A.B. 334 for many of the reasons already stated. A couple of points we would like to add. The jurisdictional issues that will arise from this proposal could have a chilling effect on growth in our region. Washoe County has been dealing with the impact of the Tahoe Reno Industrial Center and Storey County for years. The Industrial Center has created hundreds of jobs, and Storey County is reaping all of the benefits, but they have not approved any new housing developments, forcing those employees to live in Washoe County. Using those services contributes to the housing crisis, the overcrowding of schools, and gridlock on our streets. The burden put on Washoe County is being felt by all of its residents. It is highly likely that one of the three jurisdictions in Washoe County will enact some or all of the provisions in these bills, but at least one will not, creating a similar dynamic within our own county.

It is not builders and developers who are creating the demand; they are simply responding to it and will be forced to pass those costs on, resulting in slow growth and higher home prices. Rather than add more burdens to developers and risk jobs and healthy regional economic growth, we suggest considering withholding a portion of the tax incentives given out by the Office of Economic Development, Office of the Governor (GOED) and bringing these new businesses to our state and putting that into a trust to be used for affordable housing in the areas in which these businesses are located. In December, GOED awarded over \$29 million in abatements to 11 companies. Last week, they approved another nine companies to receive \$4.7 million in abatements. Of those 20 companies, 10 are paying an average wage below the housing wage that Ms. Adler discussed earlier this morning, five are paying just a few cents above. If just 20 percent of the incentives are redirected to affordable housing trusts, we would already have nearly \$7 million to help address this problem. Thank you for your time.

Dan Morgan, CEO, Builders Association of Northern Nevada:

Good morning, Chair Flores and members of the Committee. The Builders Association of Northern Nevada represents 600-plus members and employers of whom more than 100 are builders and developers of single-family and multifamily residential communities throughout northern Nevada. We are here today in opposition to A.B. 331 and A.B. 334. Our great state

is experiencing an economic housing phenomenon unlike any that has been seen in our lifetime. There is significantly greater demand than supply, demands who reside and experience the lifestyle and the benefit of living in our great communities. The net result when demand outstrips supply is increased pricing borne by the end user, the homebuyer, and the renter. Our communities' developers and builders do not create this demand but work hard to meet it every day and work hard to positively contribute to our growing and thriving communities. Increasing development and construction costs through the fees and structures proposed by A.B. 331 and A.B. 334 will only increase Nevada's cost of homeownership and rents.

A number of additional market conditions exist outside of the developer's and builder's local control that impact the cost of development and construction. A few include a nearly 180 percent increase in lumber, labor shortages resulting in higher labor costs, and significant supply chain disruptions inflating the cost on everything from wires to appliances. In the Truckee Meadows, the delivery of affordable housing is further challenged and impacted by an ever-cumbersome and expensive regulatory environment and increased local government fees and financial impacts. Governmental bodies are requiring conditions and receiving concessions, resulting in significant increased costs to builders and developers during the approval process to not only fund the creation of an affordable housing program for the region, but capital expenditures as well. These are cost increases that are, again, ultimately paid by the end user: homeowners and renters.

Another contributing factor to affordability in northern Nevada is the lack of future developable land and a stable bank of land inventory. We believe that the creation of a solution to affordable housing is an increase in policy focused on creating additional supply to meet demand and creating policy in a regulatory environment that promotes cooperation and partnership between development and local governments, thus leading to effectively promoting future planning and the development of affordable housing. We urge you today to vote no on A.B. 331 and A.B. 334. Thank you for your time and commitment to our great state. Have a wonderful afternoon.

[[Exhibit O](#), [Exhibit P](#), [Exhibit Q](#), [Exhibit R](#), [Exhibit S](#), [Exhibit T](#), and [Exhibit X](#) are letters in opposition to Assembly Bill 331, submitted but not discussed.]

Chair Flores:

Thank you for your call. I just want to let those of you waiting to testify in opposition to Assembly Bill 331 know that we have hit approximately 19 minutes and 30 seconds on my clock. We will likely have time for one call. I encourage you to just say your name and ditto, as you do not have a lot of time. Next caller please. [There was no one.] We got close to seven minutes of support. At this time, we will go to those wishing to testify in the neutral position for Assembly Bill 331. [There were no callers.]

Do you have any closing remarks, Assemblywoman Marzola?

Assemblywoman Marzola:

Thank you, Chair. Can we let Ms. Hess have some closing remarks, and then I will finish after?

Christine Hess:

Mr. Chair and members of the Committee, thank you so much. I really appreciate all of the testimony, both in favor and opposition. I just want to close by saying we have heard the opposition, as you noted, but for this Committee's perspective, we are talking about apples and oranges. What was discussed was about adding a \$1,000 fee to a \$350,000 home, for example, if a community were to enact a linkage fee. That is market rate. The oranges are the affordable housing. Affordable housing is not \$350,000. It is two different conversations. The affordable housing need is so great. The deficit is growing.

Additionally, and this is related to linkage fees, linkage fees are not just applied willy-nilly across all development. I also just want to say I am a former economic developer. I love new business. I love new development. It is exciting when new projects come to town, but there is an impact. There are jobs, whether it is direct jobs, not created at a housing wage. The people are the very Nevadans who are making up our community. Those exist.

These fees are legally justifiable because they are based on a rigorous economic analysis. Not every industry actually is subject to linkage fees. It is really dependent on local governments going through this rigorous analysis and with stakeholders at the table putting forward, potentially, fees that are set at a rate that does not impede future development. Boston has had this since the 1980s and we all have probably been there. It has definitely grown.

I just want to confirm that again. Those are really my final remarks: apples, oranges, and the fees are legally justifiable. I also want to clarify that while A.B. 331 does add these new tolls to the opportunities for our larger jurisdictions, those over 100,000 in population, the heart of A.B. 331 is in the planning. We cannot just talk about affordable housing anymore. Even as our opposition noted, there is not one tool and, in fact, we would consider these two tools pretty small pieces of our ultimate success strategy to tackling affordable housing. We must be intentional with our planning. We must be strategic. By requiring that jurisdictions over 100,000 population plan and put forward a five-year target of the affordable housing that they are going to produce or preserve, A.B. 331 allows organizations like the Nevada Housing Coalition to support them.

Do you have all the tools you need? How can we help bring communication and collaboration to the table? Which resources are missing? How come we are not leveraging all of our federal dollars? We need to ask those questions. Why are we not doing a better job with federal lands? We have to put forward this planning initiative that is truly significant in order to track our progress. It does that; it also rewards these communities for their planning and progress by encouraging the Nevada Housing Division to give

consideration for their progress. Assembly Bill 331 is really a strong planning and strategy building tool for our communities and for our state as we understand how we can overcome our affordable housing crisis. Thank you, Assemblywoman Marzola.

Assemblywoman Marzola:

I just want to take a couple of minutes. I know we have been talking a lot about both A.B. 331 and A.B. 334 together. I just want to once again say what Ms. Hess said: A.B. 331 is a planning bill. It is mainly section 4, subsection 1, paragraphs (m), (n), and (o), giving extra tools to the local government. It is also section 4, subsection 3, paragraphs (b) and (c), just so when you are looking at the bills you know exactly which sections to go to.

I appreciate all of the support. I appreciate all of the opposition. I am here. My door is always open. If not my door, my computer screen is always on. Pick up the phone, let us Zoom. We have until Friday. If there are additional suggestions that you want to talk about, I am open to hear it. This is an important bill. I think we can all agree that we have a huge affordability crisis when it comes to affordable housing. We have to do something. Let us start by planning. Let us start by transparency. Let us start by reporting. I ask you, Chair, and members of the Committee, for your support on A.B. 331. Thank you so much.

Chair Flores:

Thank you, Assemblywoman Marzola, Ms. Hess, and all those of you who participated in today's conversation regarding this matter. At this time, we will go ahead and close out the hearing on Assembly Bill 331. Members, I appreciate the thoughtful dialogue with these two bills, and I recognize it was a lengthy combo. I think we all agree there is an affordable housing crisis. While we may disagree on how to get to a better place, we are all committed to finding a solution for that issue. I look forward to working alongside all of you. Hopefully, we can find something we can do this session and not walk back without doing anything to help our fellow Nevadans.

Next, we will open up the hearing on Assembly Bill 335. Welcome back, Assemblywoman Summers-Armstrong.

Assembly Bill 335: Revises provisions governing the redevelopment of communities. (BDR 22-852)

Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6:

I bring Assembly Bill 335 before you for your consideration today. This is a relatively minor change to existing legislation; its purpose is primarily data collection and transparency. Redevelopment zones do exist. Specifically, this bill would relate to the City of Las Vegas, which has a population over 500,000. This legislation would clarify the information that is gathered by their redevelopment agency, information regarding training, hiring, and small, local business contracting within the redevelopment zone. Our municipalities, specifically the City of Las Vegas, have the option to provide incentives to developers in the form of tax abatements and other incentives to enable development within the redevelopment zone. This bill simply clarifies which data is to be collected and the timelines for submittal of that data

to the redevelopment zone. It offers an opportunity for a redevelopment zone to provide this data to the Southern Nevada Enterprise Community Board and to the Nevada Commission on Minority Affairs. Simply put, this bill will provide much-needed data for those of us who are concerned about the issues of unemployment and small business contracting in redevelopment zones. This has been an issue in the area where I reside for some time. We just need to have data so that we can identify how we can do better. With that, I will open the floor to any questions from the Committee.

Assemblywoman Anderson:

I really like the bill. I think it allows for a stronger planning format. I am looking at section 2, subsection 1, paragraph (a), where you describe the opportunities for employment within the area. Over what time frame are you thinking? Is it an immediate thing? Is it a five-year plan? Is it just something that would be part of the discussion, and then would allow for that?

Assemblywoman Summers-Armstrong:

Many of these projects have a life span—two to three years—for development. Currently, these projects are required to provide an employment plan. Generally, though, we do not hear about whether that employment plan was successful or not until after a project is finished. Then, we are unable to make any tweaks to the data collection or to the plan. No one else is looking at it who might have interests in economic development, or specifically, minority business growth or community jobs development before the project is already over. What we have proposed here is not just planning but reporting the plan at the beginning. Halfway through there is a review. How are we doing? Is it working? Then, it brings in these two organizations that are really engaged in the community. The Southern Nevada Enterprise Community Board is made up of legislators, community members, and folks from the municipalities who are in this redevelopment zone. They can look at the progress and say, Hey, maybe we need to bring another group in if we are not hitting the hiring or training goals. If we are not hitting the small business participation goals, what can we do to help and to improve so that we have a really good bang for the buck when we are providing incentives to businesses to come into our communities?

Redevelopment zones were created out of 1996 federal legislation. They are in communities that have been historically underserved. My concern is that jobs and training are targeted for the communities that these redevelopment zones abide in, that the people who live in them have as much opportunity as possible to participate, and they use these developments to get training that they could take with them and use for future employment, that they have jobs near where they live. We are hopeful that this will help with that effort. We believe that will just be the life of the project and a little bit after. We can see from the data that is collected where we are falling short and if we are falling short.

Assemblywoman Torres:

I really do appreciate the intent of this legislation. The questions that I am asking are really just to make sure I am understanding the details. Throughout the legislation, there are a number of times that we are referring to getting data from individuals who are from

economically disadvantaged households. How would that be defined? Is there already a definition currently in statute? Has there been consideration that, for a lot of these jobs, individuals might not be presently economically disadvantaged? Oftentimes, construction workers make a good amount of money. Working in these positions, they might not be in a situation where they are qualified. I just do not understand how we would capture the data or if the employer would even have access to that information. They might not know whether or not the spouse is working, if there are multiple different incomes in the households, or perhaps an individual has multiple different jobs. I am just wondering if you could clarify some of that.

Assemblywoman Summers-Armstrong:

Just to make sure that I am understanding your question, you want to know about the collection of data and how it can be parsed into these areas that we are trying to identify?

Assemblywoman Torres:

No, I think that the data is trying to capture the information for the individuals who are working on the redevelopment project, not the individuals where that project would occur. This would be for the employees. I am just wondering if employers have the tools necessary to even track that data, or if they have the information necessary to track that data for their employees. How would the term "economically disadvantaged" be defined?

Assemblywoman Summers-Armstrong:

Currently, businesses that are building in the redevelopment agencies already have a tool for data to be collected. Often, developers and construction companies use this tool on government projects to collect that data. The redevelopment agency also requires a plan, so they are already collecting data. What we are doing is asking them to be a bit more intentional about the data that they are collecting. We are trying to see where the participation is coming from. We understand with construction jobs, oftentimes people who come up with a construction company may not live in the redevelopment zone. They have a goal to offer people within the redevelopment zone opportunities for employment and for training. We are trying to quantify that because that is what is missing. We do not see clarity and transparency on the effort to reach out into the communities where these developments are happening to bring in residents who are in that community and to track how their training is, do people stick in the program, do they finish, and are they then kept on with those jobs. This is really like holding us all accountable to hold that data and present it so that it can be studied. Otherwise, we have this cycle of "I do not know," and then we can never figure out how we can better improve our efforts to improve the employment situation in these areas.

Assemblywoman Torres:

I hope we can take this conversation offline because I still think that there is a lot of work to be done on defining the term "economically disadvantaged" here in the legislation. It is not defined, and I think without that definition, it is hard for me to understand what type of data is there. I think it should be added into there.

Assemblywoman Summers-Armstrong:

I absolutely welcome that conversation. There is also data to be collected as far as disability is concerned, veteran status, as well as other areas. We are trying to get a whole host of information, but I see your point. I would be happy to expand on that conversation with you.

Assemblywoman Thomas:

My only question is concerning sections 2, 3, and 4. I was wondering if you could consider, when you are listing the description of the employer relocating a business within the area of operation and you have a list of people or entities, elevating number five—which is women—elevating women to a higher spot. We have fought the battle for so long to at least be number one. That would be something I would appreciate—just for your consideration. If not, I understand.

Assemblywoman Summers-Armstrong:

I will talk to you offline about that as well. I think this list is probably in alphabetical order.

Assemblywoman Brown-May:

I am happy to take this conversation offline as well. I am just curious if you would be amenable to amending the language of "physical disability" and just include all people with disabilities? Sometimes there are more than just physical barriers that people face to employment. I think the data is essential and I applaud your efforts going forward.

Secondarily, you have identified here "persons of both sexes." I was honored to have a meeting yesterday with the members of our LGBTQ+ community, and many of the members are nonbinary or do not identify with one of the two primary sexes. Potentially, we could be more inclusive in the language to make sure that community is included in this study as well.

Assemblywoman Summers-Armstrong:

Thank you for bringing inclusiveness to my attention. We will be happy to talk with you about making some minor changes to the language that is respectful and inclusionary.

Assemblywoman Duran:

In section 2, subsection 1, paragraph (c), it states, "A description of the manner in which an employer relocating a business into the area plans to employ persons living within the area of operation." I know there are communities or agencies out there that will help pay for these people to be employed. Are these included in that?

Assemblywoman Summers-Armstrong:

The thought process was people who are directly employed by the developer. If you have some ideas about people who are going through a training program, I had not considered that. I am not sure if the City of Las Vegas actually includes that in their redevelopment plan. We talked about this the other day, and they did not appear to have any issues. I am hopeful that somebody from the city is here who can speak to that. If not, I would be willing to speak with you, of course, to clarify this. I think you might be talking about Job Corps, or something like that. I am not sure if that information is gathered by the redevelopment

agency. I am pretty sure that they are really speaking directly to the developer. If that is something that you believe is important, I would really love to speak with you about that offline. If there is room to make a change, I would be happy to consider that too.

Assemblywoman Duran:

I am confused if it is two things on that. Are you talking about the people who are developing the areas? I am talking about the businesses that the developers are going to bring into the development. Is it both that you want to capture this information on?

Assemblywoman Summers-Armstrong:

Initially, we want the information. We are really trying to gather data from the developer. I will give you an example. In 2018, the City of Las Vegas gave tax abatements to a developer who built a convention center at the World Market Center Las Vegas. There is a restaurant that came in, and they got tax abatements. They rehabbed a building and they have now opened a restaurant with a gift shop attached to it. We are trying to follow how those redevelopment dollars are having an impact on the community as far as training and employment is concerned. Who in the community are getting these jobs? How is the contracting with small businesses in the community happening? I believe there is a request on businesses that function in the redevelopment agency and just some information for a little while after that to see if people are staying in those jobs and how that is working, just so that we know how the program is working. Right now, that is an issue that is a little bit lacking. We need more information so that we can do better. I hope that answers your question, but please feel free to ask a follow-up. I am a little nervous, so I may not be hearing everything as I should.

Assemblywoman Duran:

We will talk.

Chair Flores:

At this time, we will go to those wishing to testify in support of Assembly Bill 335. [There were no callers.] At this time, we will go to those wishing to testify in opposition to Assembly Bill 335. [There were no callers.] Lastly, we will go to those wishing to testify in the neutral position for Assembly Bill 335. [There were no callers.]

Assemblywoman Summers-Armstrong, do you have any closing remarks?

Assemblywoman Summers-Armstrong:

I just want to say thank you to you and the members of the Assembly Committee on Government Affairs for hearing this bill. We will reach out to you today to set up conferences with those who had further questions so that we can get clarity and make sure we have understanding on both sides so that we can make the case. We believe this is important for the City of Las Vegas, the communities that lie within the redevelopment agency boundaries, and the people who live within those boundaries to provide as much opportunity as possible for them and to grow and make our community vibrant.

Chair Flores:

Thank you, Assemblywoman Summers-Armstrong. At this time, we will close out the hearing on Assembly Bill 335. I did receive a message from the City of Las Vegas that they will be reaching out to our sponsor and other members with some additional information.

Last on the bill hearing side we have Assembly Bill 445. At this time, we will open the hearing on Assembly Bill 445. I believe we have Assemblywoman Monroe-Moreno and Miles Dickson joining us.

**Assembly Bill 445: Revises provisions relating to financial administration.
(BDR 18-862)**

Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1:

I am here to present Assembly Bill 445, which revises the Office of Grant Procurement, Coordination and Management. Joining me today in this presentation will be Treasurer Zach Conine, who is here today on behalf of Governor Sisolak, and Miles Dickson, Program Director of the Nevada GrantLab, who will walk you through the bill.

Every year, Nevada leaves hundreds of millions of dollars in federal funding on the table. Instead of these grant dollars helping to build stronger, more inclusive and resilient communities for Nevadans to live, work, and play in, they flow to virtually every other state in the country. In fact, Nevada ranks forty-fifth in the nation in total grants per capita, according to a recent report by the Guinn Center for Policy Priorities. Assembly Bill 445, sponsored by the Assembly Committee on Growth and Infrastructure, is a comprehensive measure that will modernize and strengthen Nevada's ability to effectively compete for, secure, and put to good use these missing federal dollars. In short, it is the sort of major strategic overhaul we need, especially now.

I would like to give you just a little bit of history on our grants programs here in our state, then discuss some of the recent trends that brought about the need for this bill. Nevada, as I said, has struggled for a long time to access federal funding and assistance on a level competitive with other states, meaning we pay more than we get back. Recognizing the need to develop a more coordinated state effort, Senator David Parks sponsored Senate Bill 233 of the 76th Session, which created the Office of Grant Procurement, Coordination and Management, Department of Administration. The Office was originally granted the authority to research and identify available federal grants, work with the state agencies to write federal grants, and coordinate efforts with Nevada's congressional delegation relating to the availability and management of federal grants and related programs. In 2017, the Office was revised to allow the administrator to hire the necessary number of classified and unclassified employees within the limits of the money appropriated or authorized.

Last session, we were able to pass Assembly Bill 489 of the 80th Session, which created the grant matching fund as part of a pilot program to allow state agencies, local governments, tribal governments, and nonprofit organizations to request grants from the fund for the purpose of satisfying the matching requirements for a grant from a federal or

nongovernmental organization. The program made one award to the North Las Vegas Fire Department. That award was \$45,129, but it secured a grant for \$451,292. That grant came from the U.S. Department of Homeland Security. What that says is we got a \$10 federal return for every dollar that we invested into that program. However, due to unforeseen budgetary impacts to the state resulting from the COVID-19 pandemic, the program stopped accepting applications in April 2020. The operational funding and uncommitted programs' funds were reverted to the state General Fund, which leads us to where we are now.

During the pandemic, the Grant Office was thrust into action as the federal government approved massive federal spending to deal with the fallout from the spread of COVID-19. Four federal bills—the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Paycheck Protection Program and Health Care Enhancement Act—resulted in more than \$21 billion flowing to recipients through Nevada beginning in March 2020. These funds took many forms: new discretionary grants, supplemental grants, contracts, direct payments to individuals, loans, et cetera. We had no centralized federal response for the assistance, guidance, or to track the funds. The lack of coordinated response left many unanswered questions for agencies, organizations, individuals, and policymakers attempting to make sense of where the funding was going, how to obtain it, and if administration of grants had changed.

As part of this COVID-19 response from March 2020 through December 2020, the Grant Office provided 4,380 service requests related to federal funds. While the Grant Office does not oversee or award any funds to individuals, the Grant Office did follow up with individual requests and direct citizens to potentially helpful information on everything from stimulus payments, applicable individual grants, unemployment assistance, housing assistance, health care payment assistance, and utilities assistance. In a matter of weeks, Nevada went from struggling to access federal grants to being overwhelmed with funds and how to best track the distribution of those funds. We also learned the importance of a well-organized federal grants office, which led to the development of A.B. 445.

Based on the best practices from around the country, we are proposing the creation of a cabinet-level agency, the Governor's Office of Federal Assistance, to develop and lead statewide efforts to maximize federal resources. By elevating and focusing the Office of Grant Procurement, Coordination and Management, which is currently housed in the Department of Administration, we will have a team who can work hand in glove with the Office of the Governor to help state agencies and local and community partners to more effectively identify, apply for, and administer federal grants. A new statewide plan will set a clear course of action to guide this work and the companions that [unintelligible] state plays such a vital role in the flow of funds. It also recognizes the importance of the role local governments and nonprofits play and the imperative to partnership with them.

Governor Sisolak was absolutely right in his State of the State Address when he declared, "We need to recover the federal dollars that rightfully belong to Nevadans." Nevadans deserve the maximized benefit for the federal taxes that they pay. My thanks to

Governor Sisolak and his office, along with Treasurer Conine and the many community partners who have been at the table to help draft this legislation. I thank them for their commitment and leadership to get Nevadans their fair share. With that and your permission, Mr. Chair, I will turn the presentation over to Treasurer Conine. He will be followed by Mr. Dickson, who will walk you through the bill and amendment [[Exhibit Y](#)].

Zach Conine, State Treasurer:

It is my pleasure to be here alongside Assemblywoman Monroe-Moreno to present Assembly Bill 445. I join you this morning representing the Office of the State Treasurer and Governor Sisolak in joint support of this important legislation. In his State of the State Address, Governor Sisolak outlined a number of priorities, one of which was maximizing the state's receipt of federal grant funds. Assembly Bill 445 proposes a comprehensive set of improvements that will get us on track for that outcome. To give you a rough idea of scope, we have estimated that, as compared to the national average each year, Nevada leaves more than \$500 million in federal funds on the table, funding meant for critical state programs and services. We know that many Nevadans are struggling to make ends meet right now. Can you imagine the impact that an additional half-billion dollars in funding each year could provide? That estimate is just getting Nevada up to the national average. In many areas, Nevadans need to represent a more significant outcome than the national average.

More federal funds mean more of the services that Nevadans want and need—more nutrition programs, more affordable housing, more access to health care—and even more than that, they support jobs. Each new affordable house needs someone to build it. Each nutritional program needs someone to staff it. These are high-paying Nevada jobs, and through this work, we are going to create them. The Nevada Office of Grant Procurement, Coordination and Management and the Nevada Advisory Council on Federal Assistance work hard to assist Nevada agencies, local governments, and nonprofits in applying for and securing federal grant dollars. However, as Assemblywoman Monroe-Moreno said, they have been consistently underfunded, under the radar, and lack the resources and flexibility they need.

That is why we are grateful for Assemblywoman Monroe-Moreno and her willingness to bring forth Assembly Bill 445. Fixing this legacy problem will not be sexy work, but it is the deep and detailed work that needs to be done in order to get better results for Nevadans. We are looking forward to working with the Governor's Office, our federal delegation, and the Legislature to ensure that these fixes are finally made. The pandemic has reminded us just how important social services and programs are to Nevadans. I am excited at the possibility that A.B. 445 presents and how the bill can better help get our residents the resources they so desperately need. It is my pleasure, Chair, with your permission, to turn it over to Miles Dickson, Program Director for the Nevada GrantLab.

Miles Dickson, Program Director, Nevada GrantLab:

Every day, I have the opportunity to run a philanthropic program that is focused on providing nonprofits and government partners additional resources to identify, access, and successfully administer federal funding. It is really a great pleasure to talk about what that looks like at a

state level and build on the great work over the last decade, to Assemblywoman Monroe-Moreno's point, of the initial creation of the Grants Office back in 2011. In the interest of time, I will just direct you to a presentation that is on the Nevada Electronic Legislative Information System (NELIS) [[Exhibit Z](#)]. It is an A.B. 445 presentation from the Nevada GrantLab. I am not going to go through it. I know you have had a long hearing and that you still have a work session ahead of you. I do want to just add a few bricks to the foundation that Assemblywoman Monroe-Moreno and Treasurer Conine started laying. I will walk you through the four major proposals of the bill. Then I want to briefly preview what a future of more robust federal funding and what a more strategic program may look like in Nevada. Then I will wrap up, of course, with your questions.

Every single year, the federal government awards about \$800 billion to local and state governments, public agencies, and nonprofits around the country [page 2, [Exhibit Z](#)]. That does not include the emergency aid that has predominated the recent news or the headlines. It is not the CARES Act. It is not the American Rescue Plan Act of 2021. All of that will sit on top of the \$800 billion that is annually distributed. Those grants pay for personnel, construction, and local purchasing of goods and services. To Treasurer Conine's point, they create jobs and they create economic activity. They also play a critical role in funding, sustaining, and really balancing the costs of programs, services, and projects that benefit all Nevadans. When we talk about federal funding, we are not just talking about an issue of affordable housing. We are not just talking about an issue of hunger. We are talking about issues of health care, education, workforce, jobs, training, infrastructure, and so on.

Just to put in a little bit of scale here, federal funding is often the third-largest budget line item in the federal budget. This really is something that touches all Nevadans. When we think about Nevada's historical performance, as Assemblywoman Monroe-Moreno pointed out, one of the key and most recent details we know is that Nevada underperforms by \$800 per person every single year [page 4]. This is just to get to the national average. I know you have an exhibit on NELIS that is from the Guinn Center for Policy Priorities [[Exhibit AA](#)]. They recently did an updated analysis of Nevada's flow. I am sure, as they will testify in comment, we are forty-fifth in the nation [page 4, [Exhibit Z](#)]. If you pull out Medicaid, which really drives a huge amount of federal funding, we drop all the way to the fiftieth rank. What that means in effect, of course, is that we have less funding. It also means that Nevadans get less benefit for every hard-earned federal tax dollar they pay into the system.

The proposal in front of you today tries to address some of the deficiencies we have in today's system. As both Assemblywoman Monroe-Moreno and Treasurer Conine alluded to, Nevada's system today is fragmented, outdated, and frankly, it is overwhelmed. Let me start on the note of fragmented for a second here. By nature, federal funding is decentralized. If you think about the size of the federal government, the size of the state government, as well as the opportunity for funds to flow not only to state agencies but to local governments and nonprofits, we have an incredibly intricate web of thousands of different federal grant programs, each with its own set of restrictions, allowable uses, and reporting requirements. It is complex and fragmented by nature. As a result, that means, as a state that seeks to

increase its performance, it is all the more important that we have a unified plan, a clear process for coordinating and communicating across all of those prime and sub-awardees, and ultimately a vision to actually do better.

The other piece I really want to home in on right now is what feels like probably a historical underinvestment in the sorts of personnel and human infrastructure, as well as process improvements measures that will actually make us competitive. Federal funding has changed dramatically in the last 20 years. It has not only grown, but it has become more complex. We increasingly see states that outperform us and that themselves have grown in their own performance over the last decades, investing in things like technology, grant management systems, and coordination and communication functions to make sure that the hundreds of individual entities that are involved in the flow of federal funds in the state can talk to each other in real time. I think nothing has probably really brought to the forefront the challenges Nevada faces like the most recent recession and the amount of stimulus funding that is flowing into Nevada.

Finally, I would be remiss to not point out we lack an opportunity to meet the match fund requirements and maintenance of effort requirements that are often included in federal funds. That is why I think when you look at it, A.B. 445, which is a combination of four different proposals, becomes an incredibly compelling opportunity for the state to move forward in real time and, frankly, initiate this sort of major reform this state needs to get out of the last space, or one of the last spaces, and closer to what should be our ranking based on our need and demographics.

Assembly Bill 445 has four major components to it [page 7, [Exhibit Z](#)]:

1. It establishes the Governor's Office of Federal Assistance to plan and lead statewide efforts to maximize funding.
2. It creates and enables the implementation of the first state plan to maximize federal resources.
3. It refocuses the Nevada Grants Council—which was created by the 2015 Legislature—from preparing recommendations to actually supporting the implementation of those.
4. It makes the grant matching fund, which was created by Assembly Bill 489 of the 80th Session, permanent.

If you happen to be looking at NELIS or the bill, I will first focus on the Governor's Office of Federal Assistance [page 8]. Next, the state plan for maximizing federal resources, the updated grants council, and finally the match funds. Those are slides 8, 9, 10, and 11 on NELIS [[Exhibit Z](#)]. I will read off the sections as I go.

First, the Nevada Governor's Office of Federal Assistance. That is sections 8, 20, 21, and 22 primarily in your bill. As Assemblywoman Monroe-Moreno mentioned, we are really talking about elevating the existing Office of Grant Procurement, Coordination and Management that sits in the Department of Administration to a Governor's-level office. Think, maybe as an analogy, the Office of Finance or the Governor's Office of Economic Development. Notably, it transfers the existing budget of that Grants Office. It is not necessarily that we are creating a new budget here. This moves the existing budget for that office and simply transfers its place on the organization chart. It also maintains most of the statutes that are enabling the Grants Office that, to Assemblywoman Monroe-Moreno's point, we have tried to refine over the last decade. It does make some material improvements and, I think, enhancements to the statute. I want to flag a few of those. First of all, and especially with the language you have in the amendment, it makes clear that the work of federal grants is not just increasing application, it is improving administration. The language you will see, especially reflected in the amendment, really captures both pre- and post-award work that is needed.

Secondly, it enables a grants management system, that technology I mentioned earlier, that is, of course, still needing funding. Hopefully, funding is available, and we will see that implementation, but here it will at least be clear that the Office can do it should funding become available.

Third, and I think really critically, it enables the ability of the Office to lead development and implementation of that new state plan. I will talk more about that in a moment. Finally, it recognizes something that many states started adopting back in 1982, which is the single point of contact in the intergovernmental review. The idea here is to encourage local and state stakeholders to work in a more coordinated fashion to prioritize and collaborate on federal grant opportunities. What happens sometimes in Nevada, I think, especially as a result of, frankly, too little funding that folks compete for—too little grant funding, I should say—as well as a lack of coordination, communication, and ability to do that, we sometimes compete with ourselves to go after federal funding, and then what happens is that we all lose. It is an important addition there.

Moving on, I want to talk about the state plan [page 9]. As Assemblywoman Monroe-Moreno, Treasurer Conine, and, of course, the Governor in his State of the State address identified, and many of you already knew before this hearing, Nevada underperforms in federal funding. This is not a new issue. It is not just coming to light. We actually know a decent amount about it. The proposition here is doing something with what we know. I think the state plan becomes an incredibly powerful vehicle to put the many lessons we have learned, especially over the last decade; the countless surveys that the Grants Office has done, the excellent work that the Nevada Grants Council has done; in terms of hosting hearings, preparing recommendations; and organizing all of those findings into a single state plan that also speaks to the real federal funding opportunities we have in Nevada, not just the problems. When I talk about opportunities, I envision a way to better align federal funding resources that already exist that we just need to apply for, compete for, and secure with the needs of Nevadans. I think a state plan becomes a really valuable tool in doing that.

I want to note that the creation of a state plan would happen in consultation with the Nevada Grants Council and the stakeholders that it has the ability to engage. The plan would become a public document. Both those first two sections will be effective July 1, 2022, under the amendment.

I do want to just quickly note here, we are offering an amendment, in consultation with Treasurer Conine and Assemblywoman Monroe-Moreno, really to focus on providing an adequate transition period for this very significant change and—I should say, very significant opportunity. It is a relatively modest change in terms of transfer, but I think it will take some time to build and make sure that we have our footing firm so we can go and execute a state plan.

Moving on, and this is a little less change, I want to note on the updated Nevada Grants Council—sections 27 and 28 of your bill—this council was created in 2015 [page 10]. Its job really was to have hearings and get to the bottom of maybe what is not working so well in federal funding for the state and prepare annual recommendations and reports for the Legislature and the Governor. I think they have done a fantastic job of doing just that.

I direct you to the Nevada Grants Office website. They have a list of all the reports, I think, through 2016. They are comprehensive. It is thoughtful work, and it is really ideas that are based on significant input from state agencies, local government, and nonprofits. Here, what we are looking to do is transition the Grants Council from papering the file, if you will, to really supporting plan development, office development, and ultimately implementation and progress of these many ideas that they have cultivated over the last half decade. This one would become effective July 1, 2021. I also do want to note that we are contemplating, in the amendment, adding four additional members to the council—Treasurer Conine and the State Controller, who I will note, while not here today, has an incredibly critical role in the single audit. That is the audit that any recipient or entity that expends more than \$750,000 a year in federal funding is required to do. Getting those two critical voices at the table for future planning, I think, is a huge opportunity; and similarly, expanding representation for nonprofits, local governments, and tribes on that council.

The final section here is permanent match funds [page 11, [Exhibit Z](#)]. As Assemblywoman Monroe-Moreno worked very hard to do in 2019, and I think can attest to the success of, I also want to note that the interim director of the Office of Grant Procurement, Coordination and Management, Erin Hasty, is here to be able to answer some questions if you have them. The 2019 pilot grant match fund was created as a really straightforward idea, which was federal grants often require match or maintenance of effort. It is difficult to access those, especially on the tight timelines that federal grants happen. If we could create a flexible funding source where the state had the ability to commit its resources to enabling additional federal resources, we would address one of those critical challenges. Now, a million dollars, while it is a lot of money and I think it is a really important key, match funding is a huge challenge that continues to give us an opportunity to build on the pilot that was successful in 2019. I hope that in two or four years we see this program continue to grow.

As Assemblywoman Monroe-Moreno mentioned in the one commitment that it made last cycle, it was a return of 10 to 1. I want to go on the other side of those federal dollar figures and say what this really enabled was the North Las Vegas Fire Department to add new defibrillators to their trucks. On one hand, we talk about this as a funding issue and we talk about it as a state revenue issue, but right on the other side of the grant is actually a program that can make a difference, and in this case, save a life. I am happy to answer any questions the Committee may have on those sections. Again, the match fund is sections 11 through 15 and section 26.

I want to highlight the proposed conceptual amendments really quickly [page 12, [Exhibit Z](#)]. I think the key details are moving the effective dates: again, the creation of the Governor's Office of Federal Assistance, the transfer of the existing Grants Office to the Governor's Office, as well as the state plan, moving that out to July 1, 2022. The rest of this would become effective July 1, 2021. There are also various changes throughout the bill trying to clarify the intent, to make sure pre- and post-award activities are reflected. Wrapping up with what the vision for the future is [page 13], I want to note and repeat what Governor Sisolak mentioned in his 2021 State of the State Address. Increasing federal funding for Nevadans is an opportunity to do right by our taxpayers, but it is also an opportunity to significantly increase the amount of funding available to pay for the sorts of services, programs, and projects that really benefit all Nevadans.

Finally, on page 14, I just want to highlight what looks like a complicated table or flow chart, and that is because it is. This is a 10,000-foot view. Federal grants are complicated. The federal government spends \$800 billion a year on these programs. Many states see upwards of a third of their overall budget coming from federal grants. This included hundreds if not thousands of actors at the local and state level that do this as well. This work is complicated and that is the sort of thing, I think, that having a cabinet-level office, a state match fund, increased participation and focus from the grants council, and a really effective tool like a match fund program will help us move to a place where this flow chart is not something we cannot fathom even implementing, but instead it is something that we are working through in real time. I will note that numerous states have gone through this conversation over the last 10 to 15 years—Illinois, Maryland, Connecticut—multiple cities and counties have even gone through it. Places like the City of Detroit used federal funding as a key resource to rebuild after their bankruptcy. Cities, states, tribes, and communities across the country are using federal resources effectively. They have become increasingly sophisticated and strategic in doing that. Meanwhile, Nevada, for many intents and purposes, has not moved in ten years in terms of its performance.

With that, I will stop, and thank you again so much to Chair Flores and the Committee for hearing this bill today. Thank you to the sponsor, Assemblywoman Monroe-Moreno, Treasurer Conine, and, of course, the Governor's Office for their work and leadership.

Assemblywoman Considine:

I really like this. I really think it is needed. I really appreciate all of the work that has gone into bringing this bill together. My question is about that permanent match fund. I just want to get some clarification. Say matching funds are required for a certain grant, would that money from this permanent match fund fill that requirement? Does whoever is applying for that need to pay that money back into this matching fund? How does this practicably work?

Miles Dickson:

I just want to flag that Ms. Hasty, the great leader of the Grants Office who helped administer this program, is on the line as well. She can help answer questions. Let me take a first pass at it. No, the funding would not need to be repaid. Often, federal grants have a requirement that the recipient, whether it is a local government, state government, or a nonprofit, provide some level of match. Sometimes that match may be 10 percent. Sometimes it may be 50 percent. There is also a maintenance of effort requirement. Again, it is kind of similar in the sense that the federal government wants to put money in, but they want to know that there is local skin in the game, if you will. These dollars that get expended will not be repaid.

I guess I would just flag that there are processes spelled out both in the legislation as well as some flexibility for the offices, the administrator of this, to clarify the process by which a nonprofit, local government, or state agency may want to come forward and by which they will prioritize. That includes things like making sure that frontier communities and underserved needs are prioritized. A basic requirement is that any state dollar is matched at least 2 to 1.

Assemblywoman Brown-May:

Thank you for bringing this very insightful piece of legislation. I want to thank Mr. Dickson for taking the time to meet with me long before this meeting to talk this through. In the interim and in my time before becoming a legislator, I worked as a nonprofit executive. I have worked very closely with the Grants Office. I want to congratulate them on the good work that has been done throughout the interim. There have been a lot of collaborative efforts in order to bring a lot of the members together in order to be able to bring additional federal dollars to the state.

I would just like to clarify a point that you made with regard to the subject matter experts. I see here in the presentation on page 8, you specifically point out that this does not propose to transfer the responsibility of writing or administering federal grants from the agency [[Exhibit Z](#)]. I know that is a point that Mr. Dickson and I discussed. For me, that would mean the subject matter experts remain in the departments that they currently exist in, but this new office raised to this level would help to build collaborative efforts and stop the competition between departments while bringing in additional federal dollars. Is that the case? Do we see that happening?

Miles Dickson:

Sure, the best-case models are out there. Again, multiple states have gone through a sort of rework over the last 10 or 15 years. Think of these sorts of offices as very robust back offices if you will. Strong grants offices do not replace the responsibility or the need to have folks to write and administer grant applications directly in any given state agency. Instead, what they do is play a really critical and significant role in communication—things like notifying entities about federal funding opportunities, coordination, helping make sure, to the extent practical, there are not competing applications, and/or make sure one entity does not think another entity is going to apply but instead no one applied because there was a lack of coordination on the front end of the application. They also play really critical roles in training. This is pre-award. We often think, Can we write better applications? Do we have grant writers? But there is also a really significant opportunity and need to build on the compliance and audit to the post-award pieces, as well as performance measurements. When I think about this sort of office, it is not intended to replace grants infrastructure or staff that exists in state agencies.

Having said that, I would note some state agencies, especially small ones, do not have a grant writer in-house. This does not eliminate the Grants Office's ability to help someone develop an application or help build a post-award compliance program. It just does not necessitate it, and it does not require those state agencies to transfer their grant writers or subject matter expertise over to a centralized office.

Chair Flores:

Members, do you have any additional questions? [There were none.] Thank you all for the presentation and thank you for this work. Obviously, it is very important and we want to be partners with you. At this time, we are going to invite those wishing to testify in support of Assembly Bill 445.

Paul J. Moradkhan, Senior Vice President of Government Affairs, Vegas Chamber:

Thank you to the bill sponsor for bringing this bill forward and the work that Assemblywoman Monroe-Moreno and State Treasurer Conine have done on this issue. We would also like to thank Governor Sisolak for highlighting this issue in his State of the State Address and his leadership on this important issue on behalf of all Nevadans. The Vegas Chamber and the Southern Nevada Forum have supported numerous bills over the years on improving our ability to increase our share of federal grant dollars. As you have heard today, we have made progress, but our work is not done. We believe the passage of A.B. 445 will benefit Nevadans across the state. We agree with the premise of this bill, as it elevates it to a higher condition and ordinance in state structure and administration within our community. Again, I would like to thank the bill sponsor, Treasurer Conine, and the Governor for their efforts. Thank you for your time and consideration, Mr. Chair and members of the Committee.

Vinson Guthreau, Deputy Director, Nevada Association of Counties:

The Nevada Association of Counties (NACO) supports [A.B. 445](#), and we thank the sponsor for bringing this legislation forward. As has been mentioned, Nevada has historically struggled with obtaining its fair share of federal grant dollars. Nevada's counties have cited numerous hurdles to obtaining federal grants awards. They include technical assistance, having necessary matching funds to leverage grant awards, and statewide collaboration that prioritizes local needs. The creation of the Office of Federal Assistance into the Office of the Governor, as provided in this legislation, will focus on the mission and elevate the importance of obtaining federal grant dollars for our state. Further, NACO is pleased that the Nevada grant matching program, under this newly created Office of Federal Assistance, will allow for the potential access of grant matching funds, something that all counties, especially our smaller, rural, and frontier communities have long struggled with. The Nevada Association of Counties welcomes the prioritizing of grants that align with local priorities and encouraging the executive director of this newly created office to coordinate and collaborate with local governments. It is a step in the right direction. We believe this will help ensure that the local matching funds are maximized where the need is greatest. Thank you, Mr. Chair and members of the Committee, for allowing NACO to support [A.B. 445](#).

Shelly Capurro, representing Nye County:

[Assembly Bill 445](#) is an important bill this legislative session because of its potential positive impact to so many Nevadans. I want to thank Assemblywoman Monroe-Moreno for her efforts on this bill. Nye County supports this bill and offers their assistance in any way that is needed. Thank you.

Tiffany Tyler-Garner, Ph.D., Executive Director, Children's Advocacy Alliance:

I am calling in support of this important legislation from two vantage points or lenses: first, on behalf of the Children's Advocacy Alliance, a nonpartisan child policy advocacy organization—it is a strong proponent of data-driven resource allocation and investments in Nevada's children and families; as well as a long-standing professional in grants management, grant writing, and evaluation. From both lenses, I want to say that we support this legislation because we believe it brings the attention needed to increase federal investments. As we think about the process of complex grants management, particularly when we are thinking about federal investments; its potential to bring a unified vision that accounts for regional needs and equities is important; its ability to reduce duplication while affording us the infrastructure and opportunity to asset map, conduct gap analyses, fund mapping, as well as work across systems to coordinate investments for families; it is not only exponential but timely and responsive as we consider the ways in which we are leveraging resources to overcome or come out of this recovery. On behalf of both the Children's Advocacy Alliance as well as grants management professionals across the state, we want to thank you for any consideration you may give to supporting this very important legislation.

[Dr. Tyler-Garner also submitted [Exhibit BB](#).]

Chair Flores:

Thank you. I do see that we still have quite a few folks wishing to testify in support. I would like to encourage you, please, if you can, get your name on the record and say ditto. We are hitting our 1 p.m. deadline. We have numerous bills that we have to do for work session and 1 p.m. is when our afternoon committees start.

Ryann Juden, City Manager, City of North Las Vegas:

I would like to thank the bill sponsor, Assemblywoman Monroe-Moreno, for introducing A.B. 445. The City of North Las Vegas strongly supports this bill. As much as I would like to say "ditto" for you, Chair Flores, I wanted to share a small sample of how we experienced grants here in the City of North Las Vegas. Historically, the city has not had a dedicated grants function or team. The city actively sought grants, and it was a decentralized department-by-department approach. As you can imagine how in the increased competitive grant space, this was a real big disadvantage to our success in being able to secure grants. When I became city manager, one of the things I wanted to make sure we did was change this practice. A little over a year ago, we started changing it when we recruited and hired a professional grants manager. This purposeful and intentional approach to securing grants has been very successful. In the first year alone, we secured 19 grants worth \$7.8 million and have another \$15 million in applications that are pending. That is nearly \$8 million so far that the city services without any burden to the taxpayers. Regardless of whether you support or oppose taxes, we really cannot escape the reality that annually, Nevadans pay billions in federal taxes. In fact, last year alone we paid \$13.8 billion. Assembly Bill 445 ensures that more of these tax dollars return to our state to fund critical services for Nevadans. The federal government awards state and local governments more than \$800 billion annually in grants. It is really long overdue for Nevada to receive their fair share.

I think it is also important to note that in North Las Vegas, we do not let the grants wag the dog. Quite the opposite. We are very strategic and selective about the grants that we pursue to ensure they fit our council priorities and serve our constituents in meaningful ways. The City of North Las Vegas is one of only two recipients in the state to be selected as part of the state grant matching fund pilot this year. We received approximately \$45,000 through this program to meet the required match of \$450,000 federal grants that enabled us to buy 16 new cardiac monitors for emergency medical technicians. This is huge in terms of improving our ability to respond to cardiac emergencies quickly and effectively. It is also a powerful example of how a relatively small investment by the state can be leveraged by other . . .

Chair Flores:

I need you to wrap it up, please.

Ryann Juden:

Yes, sir. Thank you for your time. I just wanted to make sure that we got on the record that we have seen success in North Las Vegas.

[Mr. Juden also submitted [Exhibit CC](#).]

Chair Flores:

Thank you. I really encourage everybody to please say a ditto and be mindful of the Committee's time.

Connor Cain, representing Las Vegas Global Economic Alliance:

The Las Vegas Global Economic Alliance is in support of A.B. 445. Thank you, Mr. Chair and Committee members.

Nicole Rourke, Director of Community and Government Affairs, City of Henderson:

Good afternoon, Chair Flores and Committee members. I would like to echo the support already mentioned by colleagues. On behalf of the City of Henderson, we are in support of A.B. 445 and thank the sponsor.

Kelly Crompton, Government Affairs Manager, City of Las Vegas:

We would like to thank the bill sponsor for bringing this bill forward and echo the comments already made. Thank you.

John A. Ritter, Chair, Nevada Advisory Council on Federal Assistance; and representing Council for a Better Nevada; and Ritter Charitable Trust:

After working on this issue for a decade, I urge you to support A.B. 445.

Tony Sanchez, Executive Vice President, NV Energy:

We are in full support of Assembly Bill 445. We currently have several federal grants that we are working on with the Governor's Office of Energy, whether it be through the Federal Emergency Management Agency or the Department of Energy. There is a lot of low-hanging fruit out there that will benefit our customers and every one of our community partners. We appreciate Assemblywoman Monroe-Moreno and the work done by our State Treasurer Conine.

Shane Piccinini, Government Relations, Food Bank of Northern Nevada:

I am completely a ditto.

Alex Bybee, representing Communities in Schools of Nevada:

Our organization stands in full support of Assembly Bill 445. We thank the bill sponsor, Treasurer Conine, and Mr. Dickson for their work on the measure. We are happy to answer any questions the Committee might have.

[Mr. Bybee also submitted [Exhibit DD](#).]

Barry Duncan, Government Affairs Representative and Analyst, Nevada Taxpayers Association:

On behalf of the Nevada Taxpayers Association, we are in full support of the bill and appreciate the sponsor for introducing it.

Meredith Levine, Director of Economic Policy, Guinn Center:

You have heard mention of our report. I just wanted to say that we underscore our support for A.B. 445 and that you have a copy of the report as an exhibit that has been uploaded to NELIS [[Exhibit AA](#)]. I am happy to answer any questions at any time.

Joanna Jacob, Government Affairs Manager, Clark County:

We are in full support of this bill. Thank you to Assemblywoman Monroe-Moreno, Mr. Dickson, and Treasurer Conine for your work on this measure.

David Clyde, Associate General Counsel, Regional Transportation Commission of Southern Nevada:

The Regional Transportation Commission is in full support of A.B. 445 and we want to thank the bill sponsors for bringing this forward.

Anthony Ruiz, representing Nevada State College:

Ditto everything previously said. Federal grants are extremely important to us. We support A.B. 445 and urge your support.

Elizabeth MacMenamin, Vice President, Retail Association of Nevada:

I just want to say ditto and thank you to Assemblywoman Monroe-Moreno and all of those involved. This is much-needed legislation, and the Retail Association of Nevada strongly encourages the passage of A.B. 445.

Chair Flores:

Next caller wishing to speak in support of Assembly Bill 445. [There was no one.] At this time, we will invite those wishing to testify in opposition to Assembly Bill 445. [There was no one.] At this time, we will invite those wishing to speak in the neutral position for Assembly Bill 445. [There was no one.] Assemblywoman Monroe-Moreno, do you have any closing remarks?

Assemblywoman Monroe-Moreno:

Thank you to you and your Committee for listening and giving us the opportunity to present Assembly Bill 445. I encourage the support of this Committee and hope that we get your vote.

Chair Flores:

Thank you, Assemblywoman Monroe-Moreno. Great job with working with so many stakeholders. We trust that this is going to be a great bill for Nevada. With that, we will close out the hearing on Assembly Bill 445.

[[Exhibit EE](#), [Exhibit FF](#), [Exhibit GG](#), and [Exhibit HH](#) were also submitted as exhibits in support of Assembly Bill 445.]

Now we will go to our work session. Members, there are a few things we are going to do here in the interest of time. I know most of you have not had lunch, and all of you have to get to an afternoon committee in ten minutes. We have quite a lot of items on the work session document. I know you have all had an opportunity to review the document; there is no need for Mr. McDonald to go line by line explaining again what the bill does. He will simply go through the amendments. Furthermore, I recognize that there are a few bills on here where we have unanimous support. Rather than calling for a roll call vote for every single one of those bills, I am simply going to say, All those in favor signify by saying "aye." We will keep our microphones unmuted and you will say "aye." I will then ask for those of you to say "nay." If, for whatever reason, there is a "nay," we will just count the "nays" and let the record reflect that. We are going to take the work session out of order. The first item on the work session is Assembly Bill 3. Mr. McDonald, please.

Assembly Bill 3: Revises provisions concerning the electronic transmission of certain maps and other documents relating to the approval of divisions of land. (BDR 22-406)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 3 was heard in this Committee on February 12, 2021 [[Exhibit II](#)]. We are going to be adding some new language in section 1, subsection 3, "which must comply, without limitation, with any requirements for digital signatures set forth in Chapter 720 of NRS [*Nevada Revised Statutes*] and any regulations adopted thereto and any standards of the county recorder for such electronic documents." The second piece will also add to that section and will provide that "The provisions of this section do not prohibit a governing body from establishing requirements and procedures related to electronic document formatting, encryption, signatures and other matters," which are addressed in *Nevada Revised Statutes* (NRS) 719.350, which is the acceptance and distribution of electronic records by government agencies; NRS Chapter 720, which is electronic signatures; and NRS Chapter 625, which are professional engineers and land surveyors and "other applicable laws."

Chair Flores:

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 3.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 3.

ASSEMBLYWOMAN THOMAS SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Thomas will have the floor statement for Assembly Bill 3. Next on the work session is Assembly Bill 52.

Assembly Bill 52: Makes various changes related to the Land Use Planning Advisory Council. (BDR 26-342)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 52 [[Exhibit JJ](#)] revises a mix of various changes related to the Land Use Planning Advisory Council and was heard in this Committee on February 22, 2021. The only amendment we have is to make the Nevada Indian Commission a voting member of the State Land Use Planning Advisory Council. I think that was discussed during the hearing.

Chair Flores:

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 52.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 52.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

The floor statement will be done by Assemblywoman Anderson. Next on the work session, we have Assembly Bill 76.

Assembly Bill 76: Revises provisions relating to care for veterans. (BDR 37-284)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 76 [[Exhibit KK](#)] revises provisions related to care for veterans. It was heard in your Committee on February 16, 2021. It provides adult day health care within the means of federal funding that is available. There are no amendments on this bill.

Chair Flores:

At this time, I would like to entertain a motion to do pass Assembly Bill 76.

ASSEMBLYWOMAN DICKMAN MADE A MOTION TO DO PASS
ASSEMBLY BILL 76.

ASSEMBLYWOMAN DURAN SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Dickman will do the floor statement for Assembly Bill 76. Next on the work session is Assembly Bill 87.

Assembly Bill 87: Makes various changes to provisions governing the vacation or abandonment of certain easements. (BDR 22-460)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 87 [[Exhibit LL](#)] makes various changes to provisions governing the vacation or abandonment of certain easements. It was heard in this Committee on March 4, 2021. We did receive an amendment from Assemblywoman Rochelle T. Nguyen that would clarify in subsection 6 that if a public utility or video service provider requests the reservation of an easement when a street is proposed to be vacated or abandoned, the easement must be recorded in the office of the county recorder prior to the vacation or abandonment of the street; and in subsection 11, that the simplified procedure for the vacation or abandonment of an easement does not apply to the abandonment or vacation of any street, drainage easement, sidewalk, or other pedestrian right of way.

Chair Flores:

I just want to very quickly say thank you to Assemblywoman Nguyen and Mr. Matt Walker for working so diligently on that amendment and working with all of the interested parties. I know it was a slight headache for everybody. I appreciate how hard you worked on that, even though you did not have to.

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 87.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 87.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I do see that Assemblywoman Nguyen is here. Could you please do your own floor statement?

Assemblywoman Rochelle T. Nguyen, Assembly District No. 10:

I would be honored. Thank you.

Chair Flores:

Assemblywoman Nguyen will do her floor statement. Next on the work session document we have Assembly Bill 258.

**Assembly Bill 258: Revises provisions governing consolidated library districts.
(BDR 33-167)**

Jered McDonald, Committee Policy Analyst:

Assembly Bill 258 [[Exhibit MM](#)] revises provisions governing consolidated library districts. It was sponsored by Assemblywoman Shannon Bilbray-Axelrod and heard in this Committee on March 19, 2021. We have no amendments on this bill.

Chair Flores:

At this time, I would like to entertain a motion to do pass Assembly Bill 258.

ASSEMBLYWOMAN THOMAS MADE A MOTION TO DO PASS
ASSEMBLY BILL 258.

ASSEMBLYWOMAN CONSIDINE SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Torres will carry the floor statement for Assembly Bill 258. Next on the work session is Assembly Bill 270.

Assembly Bill 270: Revises provisions governing the preservation of the Nevada State Prison and the Stewart Indian School. (BDR 18-646)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 270 [[Exhibit NN](#)] revises provisions governing the preservation of the Nevada State Prison and Stewart Indian School. It was sponsored by Assemblyman P.K. O'Neill and heard in this Committee on March 24, 2021. We did receive an amendment from Assemblyman O'Neill. Essentially, he is proposing to amend the bill to require the museum director of the Stewart Indian School to enter into an agreement with the State Public Works Division of the Department of Administration to designate certain buildings and lands that will be managed by the cultural museum and for the purpose of holding special events. Any fees charged for those special events must be paid into the State Treasury for credit to the Nevada Indian Commission's Gift Fund to maintain the operations and integrity of the Stewart Indian School.

Chair Flores:

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 270.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 270.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Members, do we have any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I do see Assemblyman O'Neill is present. Could you please do your own floor statement?

Assemblyman P.K. O'Neill, Assembly District No. 40:

It would be my pleasure.

Chair Flores:

Assemblyman O'Neill will do the floor statement for Assembly Bill 270. Next on the work session is Assembly Bill 28.

Assembly Bill 28: Imposes an inverse preference on certain bidders for state purchasing contracts. (BDR 27-238)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 28 [[Exhibit OO](#)] proposes an inverse preference on certain bidders for state purchasing. It was heard in this Committee on March 23, 2021. We have no amendments for this measure.

Chair Flores:

At this time, I would like to entertain a motion to do pass Assembly Bill 28.

ASSEMBLYWOMAN TORRES MADE A MOTION TO DO PASS
ASSEMBLY BILL 28.

ASSEMBLYWOMAN DURAN SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN BLACK AND MATTHEWS
VOTED NO.)

Assemblywoman Considine will do the floor statement on Assembly Bill 28. Next on the work session is Assembly Bill 236.

Assembly Bill 236: Revises provisions governing the qualifications for the Office of Attorney General. (BDR 18-921)

Jered McDonald:

Assembly Bill 236 [[Exhibit PP](#)] revises provisions governing the qualifications for the Office of the Attorney General. It was sponsored by Assemblyman Jason Frierson and heard in this Committee on March 29, 2021. We have no amendments on this bill.

Chair Flores:

At this time, I would like to entertain a motion to do pass Assembly Bill 236.

ASSEMBLYWOMAN BROWN-MAY MADE A MOTION TO DO PASS
ASSEMBLY BILL 236.

ASSEMBLYWOMAN TORRES SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN BLACK, DICKMAN,
ELLISON, MATTHEWS, AND MCARTHUR VOTED NO.)

Assemblywoman Brown-May will do the floor statement for Assembly Bill 236. Next on the work session is Assembly Bill 280.

Assembly Bill 280: Revises provisions relating to public restrooms. (BDR 54-132)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 280 [[Exhibit QQ](#)] revises provisions related to public restrooms. It was heard in this Committee on March 26, 2021. It is sponsored by Assemblywoman Sarah Peters. We did receive one amendment, and I believe most of this was discussed in the hearing, but this would:

1. Clarify that the bill is intended to address accessibility for all gendered people to single-stall bathrooms and not intended to create an additional Americans with Disabilities Act of 1990 obligation;
2. Allow a grace period of 120 days following the effective date of the bill;
and
3. Add Assemblywoman Shannon Bilbray-Axelrod as a cosponsor.

Chair Flores:

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 280.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 280.

ASSEMBLYWOMAN MARTINEZ SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN BLACK, DICKMAN,
MATTHEWS, AND MCARTHUR VOTED NO.)

Assemblywoman Duran will do the floor statement on Assembly Bill 280. Last on the work session is Assembly Bill 307.

Assembly Bill 307: Revises provisions governing employment practices. (BDR 18-764)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 307 [[Exhibit RR](#)] revises provisions governing employment practices. It was sponsored by Assemblywoman Martinez and was heard in this Committee on March 24, 2021. We do have one amendment which would:

1. Clarify that the Department of Employment, Training and Rehabilitation (DETR) would prepare the notice concerning job training and employment programs and provide that information to the Labor Commissioner;
2. Clarify that the Labor Commissioner is responsible for requiring employers to post and maintain each notice in a conspicuous location at the place of employment;
3. Clarify that the Labor Commissioner would make the notice available to all employers in private employment; and
4. Provide DETR the flexibility and discretion when preparing the notices if there are additional similar programs beyond the Career Enhancement Program and Nevada JobConnect services.

Chair Flores:

At this time, I would like to entertain a motion to amend and do pass Assembly Bill 307.

ASSEMBLYWOMAN TORRES MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 307.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Dickman:

I do not see anything wrong with this bill. I think it is pretty good except for the fact that until unemployment can serve our people who are on unemployment, I do not think we should be putting any more tasks upon them. That is why I am a no.

Chair Flores:

Is there any additional discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN BLACK, DICKMAN,
ELLISON, MATTHEWS, AND MCARTHUR VOTED NO.)

Assemblywoman Martinez, could you please do the floor statement for Assembly Bill 307?

Assemblywoman Martinez:

Yes. Thank you, Chair.

Assemblyman Ellison:

I am going to reserve my right to change my vote on the floor on Assembly Bill 307.

[Assembly Bill 99 was not considered.] [[Exhibit SS](#) was submitted but not considered.]

Chair Flores:

At this time, we will go to public comment. [There were no callers.] Members, thank you for powering through today. I realize you are going to continue doing that throughout the day. I just wanted to say thank you for all of your hard work today. Tomorrow, April 7, 2021, we have two bills. We will go ahead and keep the 9 a.m. start time, especially after today. You all need that extra hour. You have earned that. We have Assembly Bill 376 and Assembly Bill 410. This meeting is adjourned [at 1:12 p.m.].

RESPECTFULLY SUBMITTED:

Kyla Beecher
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Addressing our Extreme Affordable Housing Shortage," dated April 6, 2021, submitted and presented by Sarah Adler, representing Nevada Housing Coalition, regarding [Assembly Bill 334](#).

[Exhibit D](#) is a proposed conceptual amendment to [Assembly Bill 334](#), dated April 5, 2021, submitted and presented by Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6.

[Exhibit E](#) is an article dated November 18, 2019, titled "The argument against commercial linkage fees," submitted by Assemblywoman Annie Black, Assembly District No. 19, in regard to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit F](#) is a letter dated April 6, 2021, submitted by John Klippenstein, State Director, Faith in Action-Nevada, in support of [Assembly Bill 334](#).

[Exhibit G](#) is a letter dated April 2, 2021, submitted by Shane Piccinini, Government Relations, Food Bank of Northern Nevada, in support of [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit H](#) is a letter dated April 6, 2021, submitted by Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada, in support of [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit I](#) is a letter dated April 6, 2021, submitted by Brooke Page, Director for Southwest Region, Corporation for Supportive Housing, in support of [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit J](#) is written testimony dated April 5, 2021, submitted, signed, and presented by Nat Hodgson, CEO, Southern Nevada Home Builders Association, regarding [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit K](#) is a copy of a report titled "Nevada's Housing Market: Industry Trends and Impacts," dated April 6, 2021, submitted by Lindsay Knox, representing Builders Association of Northern Nevada; and presented by Brian Gordon, Principal, Applied Analysis.

[Exhibit L](#) is a video titled "Don't make housing even more expensive in Nevada," dated April 6, 2021, submitted by Lindsay Knox, representing Builders Association of Northern Nevada.

[Exhibit M](#) is a video titled "Oppose AB 331 + 334," dated April 6, 2021, submitted by Lindsay Knox, representing Builders Association of Northern Nevada.

[Exhibit N](#) is written testimony submitted by Kevin Sigstad, Broker/Owner, Re/Max Premier Properties, Reno, Nevada, in opposition to [Assembly Bill 334](#).

[Exhibit O](#) is written testimony submitted by Dylan Heroy, representing CBRE Inc., in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit P](#) is a letter dated April 1, 2021, submitted by Gary E. Congdon, President, Lee & Sakahara Architects, Inc., in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit Q](#) is a letter dated April 5, 2021, submitted by James M. Stuart, Founder, Matter Real Estate Group, in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit R](#) is a letter dated April 1, 2021, submitted by Ron Opfer, representing Coldwell Banker Commercial Premier, in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit S](#) is a letter dated April 2, 2021, submitted by Margie Grill, Client Services Coordinator, CBRE Inc., and signed by Kevin J. Higgins, Executive Vice President; Garrett Toft, Executive Vice President; Sean Zaher, Vice President; Jake Higgins, Vice President; and Michael McCoy, Associate, CBRE Inc., in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit T](#) is a letter dated April 5, 2021, submitted by Kevin E. Burke, President, CEO, Burke Construction Group, in opposition to [Assembly Bill 331](#) and [Assembly Bill 334](#).

[Exhibit U](#) is a copy of a PowerPoint presentation titled "Planning and Accountability for Affordable Housing," dated April 6, 2021, submitted and presented by Christine Hess, Executive Director, Nevada Housing Coalition.

[Exhibit V](#) is a proposed conceptual amendment to [Assembly Bill 331](#) submitted and presented by Assemblywoman Elaine Marzola, Assembly District No. 21.

[Exhibit W](#) is a letter dated April 6, 2021, submitted by John Klippenstein, State Director, Faith in Action-Nevada, in support of [Assembly Bill 331](#).

[Exhibit X](#) is a letter submitted by Kevin Sigstad, Broker/Owner, Re/Max Premier Properties, Reno, Nevada, in opposition to [Assembly Bill 331](#).

[Exhibit Y](#) is a proposed conceptual amendment to [Assembly Bill 445](#), submitted and presented by Miles Dickson, Program Director, Nevada GrantLab.

[Exhibit Z](#) is a copy of a PowerPoint presentation titled "AB445: Modernizing Nevada's Federal Grant System and Strategy," dated April 6, 2021, submitted and presented by Miles Dickson, Program Director, Nevada GrantLab.

[Exhibit AA](#) is a copy of a report titled "Federal Grants Performance in Nevada," dated March 2021, submitted by Meredith Levine, Director of Economic Policy, Guinn Center for Policy Priorities.

[Exhibit BB](#) is a letter dated April 6, 2021, submitted and signed by Tiffany Tyler-Garner, PhD, Executive Director, Children's Advocacy Alliance, in support of [Assembly Bill 445](#).

[Exhibit CC](#) is a letter dated April 6, 2021, submitted by Ryann Juden, City Manager, City of North Las Vegas, in support of [Assembly Bill 445](#).

[Exhibit DD](#) is a letter dated April 6, 2021, submitted and signed by Tami-Hance Lehr, CEO and State Director; and Alex Bybee, Director of Strategic Partnerships, Communities in Schools of Nevada, in support of [Assembly Bill 445](#).

[Exhibit EE](#) is a letter dated April 6, 2021, submitted and signed by Audra Hamernik, President and CEO, Nevada HAND, in support of [Assembly Bill 445](#).

[Exhibit FF](#) is a letter dated April 5, 2021, submitted and signed by Bob Brown, President and CEO, Opportunity Village, Las Vegas, Nevada, in support of [Assembly Bill 445](#).

[Exhibit GG](#) is a letter dated April 6, 2021, submitted and signed by Richard Jack III, Executive Director, Gentlemen by Choice, Las Vegas, Nevada, in support of [Assembly Bill 445](#).

[Exhibit HH](#) is a letter dated April 6, 2021, submitted and signed by Irene Bustamante Adams, Policy Committee Chair; and Janet Quintero, Director of Community and Government Affairs, United Way of Southern Nevada, in support of [Assembly Bill 445](#).

[Exhibit II](#) is the Work Session Document for [Assembly Bill 3](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit JJ](#) is the Work Session Document for [Assembly Bill 52](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit KK](#) is the Work Session Document for [Assembly Bill 76](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit LL](#) is the Work Session Document for [Assembly Bill 87](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit MM](#) is the Work Session Document for [Assembly Bill 258](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit NN](#) is the Work Session Document for [Assembly Bill 270](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit OO](#) is the Work Session Document for [Assembly Bill 28](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit PP](#) is the Work Session Document for [Assembly Bill 236](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit QQ](#) is the Work Session Document for [Assembly Bill 280](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit RR](#) is the Work Session Document for [Assembly Bill 307](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.

[Exhibit SS](#) is the Work Session Document for [Assembly Bill 99](#), presented by Jered McDonald, Committee Policy Analyst, Legislative Counsel Bureau.