MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

Eighty-third Session
May 30, 2025

The Senate Committee on Government Affairs was called to order by Vice Chair James Ohrenschall at 10:22 a.m. on Friday, May 30, 2025, in Room 2149 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 8 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Exhibit A is the agenda. Exhibit B is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Edgar Flores, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Skip Daly
Senator Lisa Krasner
Senator John Ellison
Senator Lori Rogich

GUEST LEGISLATORS PRESENT:

Assemblymember Shea Backus, Assembly District No. 37
Assemblymember Gregory Hafen, Assembly District No. 36
Assemblymember Daniele Monroe-Moreno, Assembly District No. 1
Assemblymember Erica Mosca, Assembly District No. 14
Assemblymember Howard Watts, Assembly District No. 15

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Committee Policy Analyst
Heidi Chlarson, Committee Counsel
Spencer Jones, Committee Secretary

OTHERS PRESENT:

Mike Draper, Nevada Builders Alliance
Adam Young, Superintendent, White Pine County School District

Paul Johnson, CFO, White Pine County School District
Tom Clark, Nevada Association of School Boards
Mary Pierczynski, Nevada Association of School Superintendents
Kyle Davis, AMPYR Energy USA LLC
Sarah Adler, Duck Valley Shoshone-Paiute Tribe
Jimmy Lau, Nevada Contractors Association
Brooke Page
Stephen Aichroth, Administrator, Housing Division, Nevada Department of Business and Industry
Christine Hess, CFO, Housing Division, Nevada Department of Business and Industry
Mendy Elliott, Reno Housing Authority
Maurice Page, Nevada Housing Coalition
Harrison Bohn, Ovation Development; Manufactured Home Community Owners Association
Kathi Thomas, Chief Housing Officer, Southern Nevada Regional Housing Authority
Henry Rosas
Amber Stidham, Las Vegas Global Economic Alliance
Leonardo Benavides, University of Nevada, Las Vegas
Mo Denis, Green our Planet; Jobs for Nevada's Graduates
Miles Dickson, CEO/Founder, Nevada GrantLab
Stephen Wood, Governor's Office of Economic Development
Daniel Stewart
Alejandro Rodriguez, Nevada System of Higher Education
Erika Loveland, Latin Chamber of Commerce
Nicholas Schneider, Vegas Chamber
Daniel Giudici, City of Fernley
Matthew Sauls, Nevada Trucking Association; Nevada Manufacturers Association
Michael Flores, University of Nevada, Reno
Emily Osterberg, Henderson Chamber of Commerce
Marie Neisess, President, Clark County Education Association
Joanna Jacob, Clark County
Katrin Ivanoff
Chris Sewell, Director, Nevada Department of Employment, Training and Rehabilitation
Ryan Cherry, Chief of Staff, Office of the Governor
Eric Cardona, Henderson Chamber of Commerce

David Behar, Executive Officer, State Contractors' Board
Nic Ciccone, City of Reno
Taylor Avery, Vegas Chamber
Wendy Colborne, Chief of Staff, Building and Construction Trades Council of Northern Nevada
Greg Esposito, Nevada State Pipe Trades
Kelly McNeil, Executive Director, Nevada League of Cities & Municipalities
Kanani Espinoza, Nevada HAND
John Sande, Nevada State Apartment Association
Andy Donahue, Southern Nevada Laborers-Employers Cooperation and Education Trust
Tonja Brown
Yoana Ontiveros, Nevada Realtors
Lewis Jordan, Executive Director, Southern Nevada Regional Housing Authority

VICE CHAIR OHRENSCHALL:
I would like to open the hearing on Assembly Bill (A.B.) 444.

ASSEMBLY BILL 444 (2nd Reprint): Revises provisions relating to governmental administration. (BDR 18-772)

ASSEMBLYMEMBER GREGORY HAFEN (Assembly District No. 36):
The brief overview is basically that this expands on what Senator Neal brought forward last legislative session [in S.B. No. 261 of the 82nd Session] regarding business impact statements. In short, last session we said that counties and municipalities have to notify chambers [of commerce] and the trade associations. This session we decided that worked great. We really need to apply this to the state agencies, which is what A.B. 444 does; it applies the same standards that we are requiring the counties and the municipalities to do. It is just simply notifying people of when rules, regulations, etcetera are going to be adopted.

There's one other section in there that clarifies that when a municipality goes to implement an impact fee, whether it is a new one or an increase to one, that they have to do the business impact statement because it is an impact fee. We just want a clarification. I work with the municipalities, the counties, NACO [Nevada Association of Counties], and I just want to say thank you to them for helping us with the language as amended on the Assembly side to address everyone's concerns.

SENATOR DALY:
I understand this is expanding on what we did with the local governments as far as an ordinance and stuff. But I think in A.B. 444, section 3, [subsection 1, paragraph (b)], we are looking at changing [what] the rule means, and you want to say, an impact "including, without limitation, an impact fee." So that's not in something that they had adopted [as] an ordinance. An impact fee is basically something that comes along with planning and land use and various things. It is not a rule of general applicability like an ordinance is, so I do not think it belongs there. It was excluded. I was just looking it up in A.B. No. 117 of the 71st Session put in by [former Assemblymember] David Goldwater at the time and several other sponsors including Mr. [former Assemblymember Bob] Beers. It was bipartisan at the time, but the impact is not a rule of general applicability. I do not think it belongs under this ordinance section. We're having to do all of this impact statement because they are not putting in a rule. It is only related to this development, to mitigate their impact fee that is coming along with—you have to do a traffic study. So they say, "Hey, in order to mitigate the impact on this or the impact on sewer or dark skies or the impact on whatever it might be," those are some of the impact fees that go along with the particular development or application on a land use deal. It is not generally applicable. I do not believe it belongs there.

ASSEMBLYMEMBER HAFEN:
In regard to the reference to the dark skies and the traffic impact analysis, that is not intended to be what A.B. 444, section 3 is accomplishing. It is the hard dollar figures. I will give a recent example that came forward in Nye County. Nye County, and I do not have the exact dollars, basically doubled, almost tripled their impact fees on commercial buildings, home buildings without notifying the homebuilders, the business community and anybody else. The chambers [of commerce] and the trade associations were provided no notice; it was put on an agenda under a planning item that nobody saw. Clark County already does this. I believe Washoe County already does it. It is only the rural counties that are not already notifying the chambers [of commerce], trade associations and businesses that are being directly impacted by these specific impact fees. When it comes to traffic impact analysis and the dark skies, that is not what was intended under section 3.

SENATOR DALY:
Unless I am misunderstanding where you say, "Well they just implicated an impact fee without first analyzing what the impact was and what the fee was

meant to address"—maybe I am missing part of it. You do not just put it on the agenda and say, "Hey, we are just going to increase impact fees for no reason because we think we need more money for something." It is always going to be associated with what the analysis was and how you are then adversely affecting other people in the area. Before you can go forward with your development to build your building or whatever it is, you have to mitigate these impacts, and they are not universal, they are specific; they are not generally applicable. So unless you and I are talking apples and oranges, and maybe some of these local governments can come up and explain, you do not just put an impact fee on the budget and say, "We are going to blanket cover everybody in the county. Here's your new impact fee even if you have already built your building." It is not my understanding of how that works

ASSEMBLYMEMBER HAFEN:
That is exactly why this is in here. It is not current existing homes, it is not a tax. These are impact fees on new development—new homes being built, new commercial buildings being built—and what you are referencing is exactly why. Yes, Clark [County] also has done a great job at informing people of the process. But there are stakeholders that felt that certain rural counties were not doing exactly what you stated. They were not showing why there was a need for the increase in the impact fee. They were just saying we are increasing the impact fee with no backup data. It was felt that there really needed to be a little bit more transparency in those fees because it was hurting the construction industry. So, you add [to] what was a $5,000 fee, and you make it a $15,000 fee. That takes a toll on the business and on the construction industry, for them and their budgets. They approached me with their concerns and said, "Hey, we need to have some additional transparency," and that is when I got with Senator Neal to talk about what she had done last legislative session to notify the business—whether it is the chambers, the trade associations, etcetera—and worked with the Senator to try to incorporate the impact fees. They are very specific impact fees under that NRS [*Nevada Revised Statutes*]. At least in Nye County, it is the police impact, the fire impact, the parks and rec impact, and streets and roads is the other impact. There was a feeling—again, in the rural counties because I do believe that Clark and Washoe are doing a fantastic job at bringing the stakeholders together and providing the information prior to them changing [an impact fee] or implementing a new one. It was mainly the concern in three rural counties that was brought to my attention.

SENATOR DALY:
I still think we are not talking about the same things. Number one, contractors and construction and all that stuff—they are not going to pay these impact fees. The developer does, and they are associated with a specific project. When I come in for my development, like you said, they are going to say, "Hey, you have impact on traffic, so you have to widen the road. You have impact on X, Y and Z." You put all these conditions then on to that project. These are not impact fees that are generally applicable; they are applicable only to that after an analysis of various things. This is America, right? If I was a developer and I went through the process, got my permits, they said these are your impact fees, and I mitigated those impacts. If I got another bill from the agency or county that said, "We changed our mind; we're going to do it again with no analysis, no hearing, no justification," I would wad that up and throw it away or see them in court because they have to take certain actions and make certain findings in order to implicate or do that. So I am not seeing how that into this [bill], on a case-by-case mitigation or impact, based on whatever the development is, varying by developer and project, is then going to have to have all of these big hearings, and we are going to have to go out and do all of these various things. Because it is very specific. It should not be impacting the business next door to the development. They're not going to have to mitigate the impact; they are the ones that are being impacted; they do not have to pay it. So we are going to go out and say, "Hey, we have to check with you to see if your neighbor should pay the fee to mitigate the impact on you." It seems ridiculous to me. So I think you are missing it.

ASSEMBLYMEMBER HAFEN:
We are not asking the neighbors to pay the fee. It is the new—

SENATOR DALY:
I did not say pay the fee. We are not communicating,

ASSEMBLYMEMBER HAFEN:
I wanted to just clarify a couple of things because there are two aspects. At least in Nye County, there's the development agreement process where they negotiate certain fees, traffic impact analysis, etcetera, where they'll build the expanded roads. But then in addition to that, there is what is an impact fee that is also paid over and above what was negotiated in good faith. Those fees are set, it is $5,000 per residential home, period, in addition to whatever development agreement you may have depending on your project. That was

exactly what you were just talking about, the analysis that is done in the negotiations and everything else to say what should be charged. That was the concern from the homebuilders. When they implemented the increase in the impact fees over and above what was in the development agreements, they felt the analysis was not done, and they were not even notified of it until after it had been already adopted and put into statute. That is where they approached me to say, "Hey, we really need to be included in the conversation." They're not opposed to impact fees. Everybody agrees that you have to pay these. You got to pay to make sure the roads that are being impacted—but it was just a "we really would like to be notified prior" to make sure that the analysis that you referenced was being done properly and not just slid through an agenda item and then people find out in the newspaper after the fact.

SENATOR DALY:
I am sure you have heard of the term "arbitrary and capricious," right? And I am sure you are aware that there's no shortage of lawyers in this country, and people should take advantage. If the process was done [and] it was arbitrary, capricious, not backed up by fact, then they should challenge that. I just am not seeing where some of this goes, and then we are talking about two different things. There's the impact fee. You're right that it is a per house type thing, and they set that up, and then you have impact fees to mitigate other impacts that are above the standard impact fee. Now you are mixing both of them. If I just have one and I am building a warehouse—and I am not building a house, so I do not have the per house footprint impact fee that I have to pay—now that is wrapped into it. It is not generally applicable to anybody else. It is just to my development and I got to go through all of this small business impact. It is apples and oranges, two different things.

MIKE DRAPER (Nevada Builders Alliance):
We see A.B. 444 as a government transparency measure, particularly the noticing requirements to chambers [of commerce] and trade associations. It is something that our membership of more than 1,000 members has been requesting for a long time. There are lots of discussions that happen, particularly at the local government level, that have impacts on the cost of construction, the cost of building, ultimately, on the price of housing, that oftentimes our membership is not involved in. Cities [and] counties are adopting ordinances, and they might send out their business impact statements to people that are directly involved. But if our membership is not aware of those discussions going on, they are not able to also show what some of the indirect impacts are. For

instance—Senator Daly, this does not directly address a conversation that that you and Assemblymember Hafen were just having, but there are conversations in the State going on about fire sprinkler requirements in residential homes that have a dramatic impact on the cost of housing and also on the cost of building, especially depending on what part of the State you are in. For instance, the northern part freezes, gets cold, and fire sprinklers can have different ramifications than they do in the southern part of the State.

We have been dealing for the last two years with these conversations that have a dramatic impact on the cost of construction happening in some of these smaller municipalities that we have not been able to be involved in or even were aware that they were going on until after the fact. We wholeheartedly support this bill. Like I said, we see it as a transparency act.

SENATOR DALY:
You said that some of your clients, you mentioned the homebuilders, are not aware or do not see all of this stuff. I just find it curious that they are able to hire a person like yourself to come down here and make sure they are seeing everything happen so that they are aware. I think they can do the same thing with local government processes as well. I guess they'd say, "Oh, we did not know," when they have the resources and availability to make sure they are coming down here that nothing is impacting them adversely. I think they have the resources to do at the local government level as well.

MR. DRAPER:
Make no mistake, this bill erodes our value, and we especially try to monitor some of the rural governments and that kind of thing. The counter I would ask to you respecting that—and the fact that we work really hard to keep our clients involved, and there are several in this building that do that as well—is we have members that are members of the Nevada Builders Alliance or the chambers of commerce or that are licensed through the State or a county. I guess from the standpoint of a transparency measure, what is the harm in making sure that those organizations—and in this case, we have tied it back to trade associations and chambers of commerce—[are] aware of what is going on in the local government?

SENATOR DALY:
I am not saying that there's harm in that. You can send them an email, right? People can get on the mailing list, and they send you an email; they do not have

to send it hard copy or whatever. I do not know if that is clear in here that email or electronic communications would work. I know you are not here on the impact fee portion of it. At least I do not think [so]. But I think there's a bifurcation there and what that means.

MR. DRAPER:
I do think there is a bifurcation in what the impact fee means. As Assemblymember Hafen stated—and we represent clients in a development agreement or a single issue—I think the intent of the bill was when there's an ordinance or a rule adopted, that is when the notification should go out. Usually the intent of an ordinance or rule is a broad application, not the approval of a development agreement or something like that. We can point to instances where there's a water authority that has implemented impact fees or a fire district that has implemented impact fees across a broad group to help pay for a new development or a need of some kind, and not that anybody is necessarily opposed to those, but they would like to be part of those discussions so that we are identifying all of the ramifications of that impact fee.

SENATOR DALY:
The impact fees are meant to mitigate impacts, right? So, it is not just money for free. There's a reason behind it because what they are planning on doing is going to impact somebody else, which is what government does: takes care of those externalities. I am sure you are familiar with that, but I know you keep saying intent. It is not the intent; it is not the intent. I understand, great this is your intent. My question is what do the words say? That is what we have to go off of. I do not care about people's intent. What do the words say?

MR. DRAPER:
I am not going to speak on behalf of Assemblymember Hafen, but I am certain that if there's a way to sharpen and clarify the language, I think we would certainly enjoy being part of that conversation. Again, from the standpoint of impacts, when a government is establishing an impact, it is aware of all of the potential impact. All we are trying to do is make sure that a broad group of those constituents that are involved in that impact at least can help outline what the impacts are, good or bad, of a decision that is made at a government level.

SENATOR ELLISON:
Run it through the policy, what they do down there where we are talking about the impact fees that you want to increase. Usually, when there's an impact, you guys take that to a city council or county commissioners and then they look at it. If it is outside of the scope of what they've got, the only thing you can do is come back here. Is that correct?

MR. DRAPER:
That's correct. I mean, in theory, it should be there. Our government's set up on a system of checks and balances. So in most cases, it should go through a county commission or a city council or something like that. This is not pejorative toward the local governments, [but] I think that they do put out business impact statements, things like that. But oftentimes those are very limited in scope, and they do not take into account maybe some of the broader impacts that some of these fees or decisions might have. I am not sitting here lobbying for or against impact fees right now. It is more for the transparency that we are involving as many people in those conversations as possible.

There are some government bodies in the State that do a very good job of it and there are some that, either because of time or simply because of a lack of awareness of who else might be out there, do not, which is why we started this. The suggestion to Assemblymember Hafen was that anybody licensed, for instance, on behalf of our membership—if you are licensed with the Contractors' Board or you have a business license for construction in the State or you are licensed with a county—should be notified of these things; laws that go into a place or conversations that are being discussed that became a little bit time-consuming and certainly cost-intensive. Assemblymember Hafen had the idea of let us at least make sure we notify associations and chambers of commerce that are registered so that we are talking about a small group that you can opt in, and then they are responsible to send it out to their members. So we will strike the balance of not make it something that is intrusive on local government but make it something that is broadly encompassing and has the opportunity to reach as many constituents as possible.

SENATOR ELLISON:
What I am trying to look at is that sometimes you can exceed the amount of funding you can put out into an area. For example, like a colleague down here says, a stoplight or intersection or something like this exceeds what you have got in that kind of budget to put down on there. But it would be kind of nice if

there was a small something you could fall back on. I think that is what Assemblymember Hafen is trying to do, it's something that you do not have to go back [to] and say, "Hey, we do not have the money right now," or "We can't do this. We got to use the impact fee, but we exceeded that." So I am trying to figure a way to get into this and make sure that we can help the county in this issue. Maybe Assemblymember Hafen can answer that.

MR. DRAPER:
Assemblymember Hafen is more qualified to answer that question. I would just suggest the intent of this bill is to make sure that we are involving as much of our constituents [as possible]. For instance, this committee and the Legislature do a very good job of trying to broadly entertain conversation so that they understand the … [unintelligible testimony] … .

ASSEMBLYMEMBER HAFEN:
I just wanted to highlight some of the questions here. If you go to page 2 [of the bill], line 44 states that, "Under existing law, a local government is not required to comply with the procedural requirements for adopting a rule if the local government is taking action that imposes, increases or changes the basis for the calculation of an impact fee or sales and use taxes" under NRS 237.060. "Section 3 of this bill eliminates these exemptions" specifically to the impact fees, "thereby requiring a local government to comply with those procedural requirements with respect to a [proposed] rule that imposes, increases or changes the basis for the calculation of an impact fee."

Section 3, [subsection 1, paragraphs (a) and (b)] also clarifies that for the purposes of the procedural requirement for adopting a rule, "a local government exercises legislative powers" or to "an action taken by the governing body of a local government that imposes, increases or changes the basis for the calculation of a fee that is paid in whole or in substantial part by businesses." I hope that that helps alleviate some of the questions, and [we are] happy to tighten up the language with any suggestions that anyone may have.

SENATOR DALY:
In the deleted section, it says that the impact fee is under NRS 278B. *Nevada Revised Statutes* 278B is impact fees for new development. Now you just say impact fees, so [that] would be impact fees for new development or for single development or anything else. If you want to try to define and just say impact fees on a per housing level, you have to try to get to what you want to get to

because before, they were only exempt for NRS 278B which was impact fees for new development.

ASSEMBLYMEMBER HAFEN:
Understood; I think I have got some direction. I appreciate it.

VICE CHAIR OHRENSCHALL:
I will close the hearing on A.B. 444 and open the hearing on A.B. 224.

ASSEMBLY BILL 224 (1st Reprint): Provides for the issuance of bonds to assist certain school districts in financing capital improvements. (BDR S-688)

ASSEMBLYMEMBER ERICA MOSCA (Assembly District No. 14):
Why this bill? I am very proud to represent East Las Vegas. I have been to every county in our State, and going to a place like Ely does actually remind me of East Las Vegas. This bill is a state-level solution to the issue of rural school construction. This body has funded appropriations in the past. This is a high-level state solution that would fund future schools going forward. The White Pine [County School District] is here today because the schools in Ely were built in 1909 and 1913. I have been there multiple times, and I want to put on the record that nobody asked me to carry this bill. This was me visiting the schools, understanding what students and parents face in a community, and I wanted to bring it. We did have a hearing in the Assembly Committee on Ways and Means, and it was confirmed that the general obligation debt affordability report would be updated for the bonding. So there is bonding available for this bill should it pass. With that, I will briefly give it over to the superintendent to talk about the condition of the schools and the CFO to talk about how White Pine County has actually put skin in the game and done everything they can to raise their own taxes, but it is not enough with the [tax] base.

ADAM YOUNG (Superintendent, White Pine County School District):
As Assemblymember Mosca said, [the] 1909 and 1913 schools have issues despite the best work of our maintenance and custodial staff, which is significant. [These are] accessibility, ADA [American with Disabilities Act], fire suppression and asbestos. All of these things are just problems. The biggest problem is that when we get to fix those things, you have to bring everything else up to code. That becomes unaffordable for us with a small tax base when we are at the tax cap. We have tried many creative solutions. We appreciate everyone's support in those solutions. None of them have gotten the job done

to this point in time. So we appreciate Assemblymember Mosca as well as all of the Assembly who have been very supportive of this measure so far.

PAUL JOHNSON (CFO, White Pine County School District):
To give a little bit of tax history, voters actually approved school construction back in 1993, but they did not have the fiscal means to complete that project. Nothing really has changed from that point. It is actually a mathematical impossibility for the amount of revenue that we can raise to issue sufficient bonds to really even make a dent in school construction. When I first started doing this, it was a $7.5 million project. It has ballooned to a $100 million project today. The amount of money that we can raise through our voter-approved property tax rate of 25 cents would secure about a $10 million bond issue. On the sales tax, we have the third-highest sales tax in Nevada. At the combined rate, property tax cap and sales tax at its max would raise about $300,000 a year and float a $5 million project. So combined, [it would] possibly [be] a total of $15 million, and it would exhaust all of our capital revenue for one project and is roughly 1/10 of that cost. So we are here today asking for help because simply based on the tax policy and the way revenue works, a school financed through local means would never happen in our community.

SENATOR NEAL:
What's your tax cap?

MR. JOHNSON:
We're at the combined tax rate cap of $3.64, including the state $.17 rate.

SENATOR NEAL:
How much have you raised? When we had this bill last session, how much did you raise?

MR. JOHNSON:
Based on our projections and projections from J&A Consulting, we could finance $10 million worth of bonds.

SENATOR NEAL:
In 2023, you had a bill. How much did you say you were trying to raise at the time?

MR. JOHNSON:
At that time, the school construction estimate was $60 million.

SENATOR NEAL:
Now this bill is asking for $100 million in GO [general obligation] bonds?

MR. JOHNSON:
Correct.

ASSEMBLYMEMBER MOSCA:
It was put on the record in Assembly Ways and Means, the $100 million wouldn't only be for White Pine. They will put in what they can at the tax rate. It is just that the $100 million is what the bill will say that through the general obligation debt affordability report is what will be available.

SENATOR NEAL:
And you want this to go to the [State] Board of Finance? I guess what is triggering for me is that it is not that this is not a worthy cause, it is that in the original bill, was the $60 million GO?

ASSEMBLYMEMBER MOSCA:
The bill last session was not my bill. That was a straight appropriation. Knowing that, in my opinion of this being in this body, a straight appropriation for schools did not seem like it was something that was tenable or a state solution. So I worked in the interim for the last year and a half with many stakeholders to figure out if it was not a state appropriation, what could the State do if we were to say the State does have some obligation to support school construction for those who mathematically cannot do it themselves?

SENATOR NEAL:
How much was the direct appropriation in 2023?

ASSEMBLYMEMBER MOSCA:
I believe the direct appropriation was $60 million. And why they are saying the cost is more I think is all just inflation and construction costs.

SENATOR NEAL:
So now that I know it was a direct appropriation of $60 million because we had this conversation about the tax cap, willingness of residents to raise tax cap population, etcetera, how much have you gotten done with the $60 million?

ASSEMBLYMEMBER MOSCA:
That bill did not pass. That was for the Owyhee [Combined] School. This is for White Pine County. This bill actually encapsulates eight counties, all the ones that would qualify for the fund to assist school districts in financial capital improvements. That's a fund. There are certain school districts that qualify under that fund. White Pine would just be the one that qualifies at the top of the list if that makes sense.

SENATOR NEAL:
I guess that is what I am trying to sort out right now. Even though the bill died, there was not an allocation placed in the budget regardless?

ASSEMBLYMEMBER MOSCA:
Correct. They did not get any type of allocation from the State last session.

SENATOR NEAL:
But you did try to put something on the ballot or on the commission?

MR. YOUNG:
We are at the tax cap already. Our voters have previously approved funds that we use to make some of the repairs on these 1909 and 1913 schools, which is enough to keep the doors open. But our local voters have allowed us to go to the max of what is available. Now, it is just that [this] is not going to get the job done with anything new.

ASSEMBLYMEMBER MOSCA:
That is Elko County that had done that in the last two years, not White Pine County.

SENATOR NEAL:
You need $100 million in GO. I am assuming Governor Joe Lombardo's on board, right? Since you are going to [the State] BOE [Board of Examiners].

ASSEMBLYMEMBER MOSCA:
What we have on board is that it will be included in the General Obligation Debt Affordability Report. [I'm] not sure if that means the Governor's on board or not, but that is what was presented in Assembly Ways and Means.

SENATOR NEAL:
But the plea that you guys need help for a school that is over 100 years old has been heard?

MR. JOHNSON:
Yes. I have personally been working at this for 28 years [and have] testified before the Legislature six different times. The amount of money that we have to raise gets further and further from our ability to afford it. We have tried all creative means in order to make this happen—lease purchase agreements, public-private partnerships, tax policy changes and requests for appropriations. This one seems to be the path of least resistance because it goes to the state bonding arena and through capital. It will be repaid in part through the property taxes that we pay through the 17 cents that all jurisdictions do. We based what we have done on the recommendations of the people that serve on this body and locals that are experts. So this proposal was, in part, modeled after a bill that was presented years ago that was not passed. We have tried many attempts, and this is just one of those attempts.

SENATOR NEAL:
I was just trying to get on the record that you have tried. I know you tried to move something in 2023, and because of the increased cost, [it] is now $100 million, but you had not [failed] because of your own fault. You've worked it out right locally, and now you are here, and you are being supported by that act.

SENATOR DALY:
There are several counties that are 15,000 [population] or under. Do you know which ones they are?

ASSEMBLYMEMBER MOSCA:
I believe it is seven. I could be incorrect.

MR. YOUNG:
Seven sounds about right.

HEIDI CHLARSON (Committee Counsel):
I can get you the list. [The counties] under 15,000 right now are White Pine, Pershing, Lander, Mineral, Lincoln, Storey, Eureka and Esmeralda.

SENATOR DALY:
I was just trying to let everyone know it is not just White Pine. Other school districts can actually apply for the available bonding, not [that] it will be done; they got to go through that regular process. I am fully aware of the stuff in code like earthquake compliance. One hundred-plus, year-old buildings [weren't built with] too many of those considerations at the time. Are the existing buildings just going to be torn down, or you are going to hopefully just build new? Maybe repurpose the other ones which also come with some of those costs? You just hate to see some 100-plus, year-old buildings being torn down.

MR. YOUNG:
I am a graduate of White Pine. We have some others in the room who are as well, and as you say, those facilities bring back lots of nostalgia for generations worth of residents. In White Pine, we believe in growing community and approaching everything through the collaborative aspect. So anything that we do with those facilities will be a joint community decision that will occur through that process. We have not wanted to get the cart too far in front of the horse to say this, that or whatever is going to happen because, as Mr. Johnson alluded, we have been here before, and it has not worked out. So we just want to follow the process, and if this process is successful, then we will consult with our community to make sure that those facilities are used in the most appropriate ways.

SENATOR DALY:
Understood. I am assuming you have some other land available to build a new school if you are able to do this. And your community will figure out if the building gets torn down or what happens on that and then how some of that retrofit has to be done. Because even if you repurpose it, maybe it will be a little bit less, or maybe there's some other development or somebody that can assist there. I was just curious. I hate to see old buildings just torn down. That's probably not best.

SENATOR ELLISON:
I have been trying to follow all along where you are at on this. I thought that one of my colleagues picked up the bill and [was] trying to track it. We had a

bunch of us Legislators from all over the State show up to walk through that school to show people how bad it is. Now the three-story school has got zero ADA handicap access to the whole building. If you had a [handicapped] child that was junior high or whatever and they had to get up to one of the floors, the only way up there is carrying them. I mean, the school is in such bad need of repair. People have done everything they can to maintain this thing. It is amazing. But if there's ever a school in Nevada that needs to be addressed, it is this. I mean, you go on the basketball court, and the basketball court is bouncing when they get in the middle of it. The building needs to be, I don’t know, turned into a historical museum or something. I hope you guys were not there when they built it, but it is something that has to be done one way or another.

If they did come in and condemn this building, what are you going to do? Drive them [students] to Elko or to Las Vegas? I think you are in between a rock and a hard spot. If there's ever a building that we need to address, this is it. I can't say enough about some of the repairs and the bathrooms, and the maintenance people should have a gold star on them because I tell you what, they've done everything they could with the money they have. I take my hat off to you guys. You have done a good job trying to keep it up and trying to get our children educated and graduate through there. But look at the old courthouse; we finally got that funded several years ago and got that moved. It was so bad, the criminals, sheriffs and people that was going to be on trial had to take the same elevator. This school has got to be addressed one way or another before it becomes a tragedy to the State. That is what I do not want to see. I do not know if you want to add to that.

MR. YOUNG:
All of you would have gotten an invitation from me, and many of you replied that you would not be able to be there. I deeply appreciate that response. We did have a number of Assemblymembers and Senators of both parties and a number of state officials come to the facility as well. I appreciate Senator Ellison acknowledging the hard work of our maintenance staff. They really do a good job, but there's just a limit of what could be done.

SENATOR ELLISON:
That's right. Everything has got to be surface-mounted at this point in time because of the walls and the existing old bricks, window frames and ceilings. What they are going through right now is something that I think is an

emergency myself. Thank you for everything you have done, and I am glad to see you get in here. You have done a great job, and the people that [have] actually seen the school would totally understand.

TOM CLARK (Nevada Association of School Boards):
When we set out this legislative session, there were three priorities that the school boards across the State had. One of them [was] rural school funding. Then we walked into a legislative session that does not have a lot of funding. How are we going to solve this problem? I really applaud the folks in White Pine County and the sponsor of this bill for bringing forward this particular solution to what is a menacing, dangerous, illegal problem in a facility that does not even come close to the standard that we expect for our kids to be able to learn. We very much support this piece of legislation. We think that not only will it benefit White Pine, but it will hopefully down the road be an option for some of our other rural schools as well. For those reasons, we are in support.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):
It is hard for me to add anything beyond what you have said, Senator Ellison. This is a crisis, and I hope you will pass this bill because we have so many issues, especially in our rural counties, where we need work on our facilities, and there just is not a possibility of doing that at this point. So [we] appreciate your consideration of this bill.

KYLE DAVIS (AMPYR Energy USA LLC):
AMPYR is a global renewable energy development company developing primary solar and wind projects throughout the west, including here in Nevada. Our projects are primarily in rural Nevada, including one project we have in White Pine County. It is very important for us to be a partner in the communities in which we operate as you have heard in the testimony. This is a critical need, and there are not a lot of options available to our rural counties for these types of issues. Assembly Bill 224 gives us those options and provides options for rural school children. So we are in support.

SARAH ADLER (Duck Valley Shoshone-Paiute Tribe):
Two years ago, this body stepped forward heroically to support the students in Owyhee so that they may have a safe school, and there are many other needs in our tribal and rural communities that this bill can seek to address. It is a great bill. We urge your support.

JIMMY LAU (Nevada Contractors Association):
We are here in support and echo the comments that have been made before.

ASSEMBLYMEMBER MOSCA:
We as a body support all Nevadans no matter the political party of their county, and I appreciate you all for that support.

CHAIR FLORES:
We'll go ahead and close out the hearing on A.B. 224 and open up the hearing on A.B. 356.

ASSEMBLY BILL 356 (2nd Reprint): Revises provisions relating to collective bargaining agreements. (BDR 23-935)

ASSEMBLYMEMBER DANIELE MONROE-MORENO (Assembly District No. 1):
Assembly Bill 356 revises provisions relating to collective bargaining agreements. As amended, A.B. 356 revises the statutes in the Governor's budget requirement in NRS 288.510. The Governor must include, when practicable, collective bargaining agreements in the biennial proposed Executive Budget. If deemed not practicable, the Governor must submit a written explanation to the Legislature the same day the budget is submitted to this legislative body and two collective bargaining timelines.

[This bill makes] changes in NRS 288.565, NRS 288.570 and NRS 288.575. Negotiations between the executive departments and employee representatives must begin by April 11. Previously, it was October 1. Mediation may be requested after six meetings and by September 5 of the even-numbered year. It also moves the Economic Forum reporting deadline in NRS 353.228 … [unintelligible statement] … was not included in the Governor's budget at all. So it is finding a way to fund what was collectively bargained, especially in this biennium when we have little to no money to work with. Moving the dates puts everything earlier so the bargaining is done before the budget is presented to the legislative body. It puts the Governor's Office in a much better position. It puts the Legislative Counsel Bureau (LCB) Fiscal Division in a much better position. For those of us as Legislators, once we get that budget from the Governor, we can better negotiate and analyze what we can afford as a State. It is a win-win for everyone by moving these dates.

SENATOR ELLISON:
Usually, when I look at something, I got to know what it is costing me and where I am at before I could actually go into financing it. I can understand what you are saying. It seems to me, you gotta get the horse before the cart to know what the heck you're doing. You guys [LCB Fiscal Division] got a hard job. I have never seen a bunch of people work so hard on the budget of all the years they've been here between you guys, Assembly Committee on Ways and Means, Senate Committee on Finance and the Governor's Office. The Governor's Office seem to be very involved with a lot of this stuff. I am glad you brought this up and let us know because the bargaining is a debt the way I look at it. So you gotta pay for it.

SENATOR DALY:
I think changing the dates and trying not to have the issues we had with the [Nevada] Highway Patrol and a few other bargaining units over the last couple of years [is a good idea]. The Governor's Office or a representative of the Governor or the state agency—there's somebody there from the Governor. It is not like the Governor does not know what was agreed to by the State for these bargaining employees. So it should be pretty easy if the dates are right to make sure whoever the Governor might be includes [it] in the budget.

ASSEMBLYMEMBER MONROE-MORENO:
The problem with that is that a number of these contracts were bargained for and finalized and ratified while we were here in session. If we move the time up before session even begins, that gives the Governor the opportunity to put those dollars into his budget so when it is presented to us, it is already baked into the budget, and we know what those are. We were presented with a number of bargaining agreements with I can't remember how many millions of dollars that we just do not have.

SENATOR DALY:
Understood. I was just trying to establish and have on the record that these are not unknown numbers, regardless of when it comes to the Governor's Office. There's somebody from the Executive Branch participating in these negotiations. They know what it is and what they agreed to. I think it is only fair then that they fund what they agreed to. I think that we are just trying to get the timing right and ask the Governor to put it into the budget or [give] an explanation on why they did not do that.

ASSEMBLYMEMBER MONROE-MORENO:
You are right. … [unintelligible statement] … .

CHAIR FLORES
We will go ahead and close out the hearing on A.B. 356 and open the hearing on A.B. 366.

ASSEMBLY BILL 366 (1st Reprint): Revises provisions relating to housing. (BDR 25-814)

ASSEMBLYMEMBER DANIELE MONROE-MORENO (Assembly District No. 1):
Assembly Bill 366 revises provisions relating to housing. Last legislative session, this body created the Nevada Supportive Housing [Development Fund]. That was a pilot program. What this measure will do is move the pilot program to a program within housing opportunities. Nevada's existing housing laws mandate that the Housing Division of the Department of Business and Industry develop and implement a grant program for supportive housing. This program is designed to award grants for the development of subsidized housing and provide services that help individuals overcome barriers to retaining housing. The Nevada Supportive Housing Development Fund, originally established as a special revenue fund, plays a critical role in financing these initiatives. However, the current framework faces challenges in maintaining consistent funding and operational efficiency.

BROOKE PAGE:
I have the following presentation (Exhibit C contains copyrighted material. Original is available upon request from the Research Library.). Thank you for the opportunity to express the importance of this fund. The fund was established as a grant program. There has been a lot of great work that has happened since this fund was created. We have had some really great opportunities to do groundbreakings across Nevada already, building capacity and really having an opportunity to leverage some important work around supportive housing. For those folks that are not aware, this intervention to provide folks with an affordable place to live, with rental assistance, coupled with those important wraparound services is what we are intending to do, build upon and continue to support this growing program.

STEPHEN AICHROTH (Administrator, Housing Division, Nevada Department of Business and Industry):
Just to touch briefly on the existing status of the Supportive Housing Development Fund, $32.2 million allocated [was] in the last biennium. We currently have awarded five projects and exercise two agreements of those five, and the balance of those agreements is under review. We have executed contracts for the capacity building and program evaluation with two entities. We've hired two positions that were associated with the account.

CHRISTINE HESS (CFO, Housing Division, Nevada Department of Business and Industry):
I have the pleasure this morning of reporting the progress of the program so far. But of course, you'll all be pleased to know it is not Mr. Aichroth and myself doing this hard work. We have an amazing team at the [Housing] Division, and it has really been a pleasure to have the two new team members on board and to include this as part of our State and federal grants programs. So far, we have awarded a total of $13.8 million of the original funds to five organizations across the State to support the development and operation of the Permanent Supportive Housing [units]. Per the legislation, this fund is directly related to supportive services to get a roof over somebody’s head. But for these services, that person does not remain stably housed; and funding the service is very challenging. Additionally, some of the funds also support some of the operations—because again, these are typically households that are at extreme risk of homelessness and so helping fund operations, usually in the form of rental subsidies for these individuals, to come alongside the services is fundamental.

So the funding breakdown across all the awards, the $13 million that I spoke about, [is as follows]. Operations funding is at $2.7 million, supportive services is at $9.65 million, some training funds [are at] $193,000 and [we have an] administration [fund] of $1.2 million. These funds are being deployed in exactly the manner in which it was intended. It is really exciting. The total number of units that these funds are supporting is 170 units. These are units that have an affordability period of 30 years.

ASSEMBLYMEMBER MONROE-MORENO:
The Nevada supportive housing framework redesignates the Nevada Supportive Housing Development Fund as an account within the State General Fund, ensuring that funds do not revert to the General Fund at the end of each fiscal

year. This change allows for a more stable and continuous funding source for the supportive housing program. And additionally, the bill has been amended to appropriate $21 million from the State General Fund to support the grant program, which includes procuring and developing supportive housing training, supportive housing partners and analyzing the program's progress. The bill also requires that recipients comply with applicable housing regulations and mandates annual reporting to ensure transparency and accountability.

MENDY ELLIOTT (Reno Housing Authority):
This bill really continues to strengthen Nevada's commitment to supportive housing by redesignating the Nevada Supportive Housing Development Fund as an account within the State General Fund. This critical change ensures that unspent funds can be carried forward, providing continuity and sustainability for housing initiatives across the State. We would like to thank Assemblymember Monroe-Moreno for her leadership in 2023 with A.B. No. 310 of the 82nd Session, which allocated $32 million to launch this effort. That investment began an evolution in how we care for Nevadans with disabling conditions, changing lives through housing and support services. Assembly Bill 366 builds on that foundation by appropriating additional funds to bolster that grant program and expand access to supportive housing for those experiencing or at risk of homelessness. We urge your support for this vital legislation that enhances stability, dignity and opportunity for our most vulnerable neighbors.

MAURICE PAGE (Nevada Housing Coalition):
We express strong support for Assembly Bill 366. A special thank you to Assemblymember Monroe-Moreno for her leadership on this bill and the corporation of supportive housing. Supportive housing ensures stability for our most vulnerable populations and helps elevate broader pressures on emergency services, health care and the criminal justice system. By creating a dedicated funding mechanism through A.B. 366, Nevada can align fiscal policy with the values and needs of its residents, stimulating economic growth while promoting dignity and well-being.

HARRISON BOHN (Ovation Development):
We are in support of A.B. 366. I will say the other supporters said many of my points. I will just end on this. There are more than 8,000 unhoused Nevadans on any given day, a large increase over the past several years. The solution to this problem is increasing permanent housing options for low-income individuals.

As mentioned, this also makes fiscal sense. It keeps people out of hospitals, shelters and jails. For these reasons, we urge your support on A.B. 366.

KATHI THOMAS (Chief Housing Officer, Southern Nevada Regional Housing Authority):
We have more than 93,500 extremely low-income households who rent; 86 percent of those renters are severely cost-burdened, meaning they are paying more than 50 percent of their household income toward housing expenses. This puts them at great risk for homelessness. We urge you to support this bill as a way to ensure that these households get access to the services that they need and support in maintaining their housing.

SENATOR NEAL:
So under A.B. 366, this supportive housing allocation would also be eligible to receive additional money if A.B. 540 moves, correct?

ASSEMBLY BILL 540 (2nd Reprint): Revises provisions relating to governmental administration. (BDR 25-1036)

MS. HESS:
Discussions were had on the Assembly side, and A.B. 540, which will be heard in this committee today, does include an eligible use for supportive housing. However, the funding for this session will be in this bill. There is no current funding in the initial allocation plan in A.B. 540 for this initiative.

ASSEMBLYMEMBER MONROE-MORENO:
When you see the bill, the initial appropriation that was included in A.B. 540, these dollars—and there were dollars for eviction—were removed from A.B. 540 because they are funded in the two bills that I was carrying.

SENATOR ELLISON:
The Governor is putting the housing projects together all over the State in rural Nevada. I know Clark County is doing one also, and they are both getting public lands expanded into them areas. Does that fall into A.B. 366?

ASSEMBLYMEMBER MONROE-MORENO:
The public lands are not included at all in A.B. 366.

SENATOR ELLISON:
I know they were working on this to expand some of this housing and [these] apartments and stuff like this for low-income [people]. By doing that, they could expand the lands for housing developments. I did not know if that fell into there, but I know that Las Vegas and the Governor's Office both are working hard on trying to get these lands.

MS. HESS:
I think you are really keyed in on affordable housing and the complexities that go into making projects happen. In fact, [the] supportive housing that we are talking about here with A.B. 366 is some of the most difficult housing to pencil financially. The opportunities around on public lands coming to the table, especially around supportive housing, would be welcome, however not directly part of this bill. However, projects that are approved to fund supportive services would certainly be projects that may access some of the lands.

CHAIR FLORES:
With that, we will go ahead and close out the hearing on A.B. 366 and open up the hearing on A.B. 442.

ASSEMBLY BILL 442 (2nd Reprint): Revises provisions relating to grants. (BDR 31-589)

ASSEMBLYMEMBER HOWARD WATTS (Assembly District No. 15):
The goal of A.B. 442 is to make sure that the nonprofit organizations that the State partners with to provide critical services and support to our community receive the funding that they get through state grants in order to carry out that work in a timely manner. There are really two aspects related to this. One is looking at where it is feasible and possible and where nonprofits have a proven track record that we are able to provide some of the funds in advance so they do not have to dip into their own cash flow in order to start providing services. Unlike some other entities, nonprofits often have pretty slim reserves, so it can be difficult for them to carry out work and then submit an invoice for reimbursement without sometimes putting them close to struggling to pay some of their bills and key expenses. So part of this bill looks to promote the ability to get those nonprofits resources on the front end.

The other aspect of this bill is related to prompt payment. When a nonprofit organization that has a grant has submitted a complete invoice with all the documentation needed, we want to make sure that they get paid promptly just like any other business or contract. Folks are depending on getting those invoices paid in a timely manner in order to cover the expenses that they've outlaid. So, the bill was originally more expensive. You will see in this reprint that several sections were deleted by amendment. The first few sections of the bill essentially are laying out various definitions. And then A.B. 442, section 9 is the piece related to prompt payment. What we really want to do is make sure that nonprofits understand if they are not being paid within 30 days what the reason was that prevented that from happening. We are transitioning our state IT systems, [so] there are various things that could be at play, but if an invoice is not paid within 30 days, we want an explanation in writing to be provided to that nonprofit organization.

In addition, the State would compile any of all of those notices and submit them to the Governor's Office of Finance and the LCB for transmission to IFC [Interim Finance Committee]. This would allow the Legislature to understand how often grants are not being paid within 30 days, how long it took for those to be paid and what the reason was for that delay. Then you'll see in A.B. 442, section 11.3, that we are asking the [Governor’s] Office of Federal Assistance, which not only supports state agencies in securing federal funds but also supports them in regranting funds to nonprofit organizations and supporting nonprofits in getting those dollars, to help develop processes and guidelines that can help support state agencies in figuring out when and how to best make advance payments to nonprofit entities. You'll see there's also some language to that effect in section 11.7.

At the end of the day, one of the largest issues that has been raised by the nonprofit community in our State is these barriers with accessing those funds and grant resources. It leads some nonprofits to not seek partnerships with the State, some to terminate partnerships with the State and puts others in financial hardship sometimes when they are waiting months to receive remuneration and struggling to pay bills. Some have had to delay paying people; they've had to take out loans. I think this is the first step in helping to make sure that is addressed and that the nonprofits that we partner with to address so many needs in our community are really treated as true partners when it comes to the financial administration of these grants.

MS. ADLER:
I have lived in Carson City, served on nonprofit boards small, medium and large. This bill in its original conception was exactly what we need, and in the manner in which it is just before you will still be highly beneficial. We rely upon nonprofits to do a lot of the work here in our State. I am on the board of the Healthy Communities Coalition and just …

[Due to technical issues, a portion of this meeting's recording has been lost and is unable to be transcribed.]

HENRY ROSAS:
… on this issue. We recognize the strength of the sector, but we also value so much the partnerships with state agencies. Over the course of the session, we have worked very closely with about 11 or 12 state agencies to really understand the grants reimbursement process. In strengthening that partnership, we look forward to using this bill to work more closely in the interim to make sure that dollars go out to our communities effectively and accountably. I am really looking forward to receiving some of this data and continuing the partnership with the agencies.

AMBER STIDHAM (Las Vegas Global Economic Alliance):
There's certainly a lot in social services, but there's a lot that is done in K-12 education, higher education and economic development. That's grant-funded as well, so this would be very well received. We support it.

LEONARDO BENAVIDES (University of Nevada, Las Vegas):
We are here in support of A.B. 442. We are here in support of our value partners including United Way as well as Nevada GrantLab, who were very instrumental for UNLV [University of Nevada, Las Vegas] receiving $2.1 million in the Build Back Better grant a couple of years ago. That grant was used for the UNLV Tourism Business Igniter that opened on the west side and eventually led to the micro-business park that just had its groundbreaking a couple of weeks ago. GrantLab is an instrumental partner of bringing federal funds to Nevada and for UNLV. As a partner of ours, we wish to support them and speed up the process for nonprofits such as United Way that we partner with as well to possibly impact our community.

MO DENIS (Green Our Planet; Jobs for Nevada's Graduates):
We are here in support of A.B. 442.

MILES DICKSON (CEO/Founder, Nevada GrantLab):
Ditto in response to the comments of the sponsor as well as all the other supporters.

CHAIR FLORES:
We'll go ahead and close out the hearing on A.B. 442 and open up the hearing on A.B. 462.

ASSEMBLY BILL 462 (2nd Reprint): Revises provisions relating to economic development. (BDR 22-823)

ASSEMBLYMEMBER SHEA BACKUS (Assembly District No. 37):
This bill is to revise provisions relating to economic development. It contains two parts. The first part revises existing law pertaining to inland ports, and the second part revises existing law pertaining to the teacher pipeline. With respect to the first portion of the bill, inland ports have been identified as a significant economic opportunity for Nevada in every state plan of the Governor's Office of Economic Development (GOED) since its inception due to our proximity to both California ports, including Long Beach and Oakland, within the federal daily driving limits for delivery and return. As such, they [GOED] have commissioned two studies about viability best practices in other states and potential funding structures, which is what I bring before you today.

The Inland Port Authority Act passed in 2011, which is now codified in NRS 227B, showed significant foresight into the potential benefits of the inland ports in our State. The Governor’s Office of Economic Development’s first state plan identified 11,000 jobs were possible across our State from these logistic clusters in just a five-year period. Yet, no one has applied to GOED to formally be designated as a port authority. The truth is although we currently allow a port authority to maintain rates and collect fees for operations and maintenance, funding for the infrastructure to establish a port may be challenging for municipalities. Locations designated as appropriate for inland ports are typically miles away from existing activity or infrastructure. That's why they are appropriate, but it makes funding and connecting the infrastructure more challenging. This bill would enable local jurisdictions to utilize an existing tool known as tax increment financing as well as bonds to finance the infrastructure necessary to establish an inland port. Inland ports receive bipartisan support from the Vegas Chamber and Southern Nevada Forum. Industrial parks have been added [to the bill] due to the significant similarity in their use for distribution of wholesale [goods].

The second portion of the bill revises the existing teacher pipeline program to address teacher shortages by enabling the Clark County School District, and other school districts choosing to participate, to establish a workforce pipeline to help grow their teachers within the area and to retain future employment in their district. Given the challenges of the program not being fully implemented since the last session, work with stakeholders has been occurring since and thus the revisions included in A.B. 496 [A.B. 462] to hopefully get the teacher pipeline program fully implemented.

STEPHEN WOOD (Governor's Office of Economic Development):
The bill passed unanimously out of the Assembly yesterday. Inland ports are a priority for the economic future and the economic security of Nevada. They will not only offer critical support to our efforts to diversify our economy, but they also are a key economic tool that our State is currently missing. As we look to fill the gaps in our economy, it is important that we capitalize on the opportunity by allowing industrial parks to be colocated with inland ports like the Assemblymember said because of their similar use, not only for the benefit of the park and the port itself but also to help relieve stress on our infrastructure and the motoring public. There were some amendments that happened in the Assembly that I think made this bill better. The latest one I will point out because it was a concern from the local jurisdictions in the north: we did clean [the] language in section 11 of the bill to ensure that the tool that we are creating here for tax increment financing is specific to inland ports. If an industrial park is attached to that project, it must be colocated. That was our original intent, and we cleaned up that language to make sure that it is that way.

Section 2 of the bill defines what qualifies as an industrial park under what would be the new revised law. Section 4 outlines projects that could be funded within the inland port and industrial park area using tax increment financing. That list will be very familiar to most of you with a couple of additions regarding some infrastructure that is specifically related to inland ports. Section 5 authorizes participating entities to create tax increment areas within the inland port and industrial park, and it establishes the fund for the bond payments and financing projects within the designated area in accordance with the Local Government Securities Law. Sections 6 and 20 exempt tax increment areas created under section 5 from certain limits on ad valorem tax revenue facilitating funding for the projects by removing the fiscal constraints.

Section 7 of the bill authorizes counties or incorporated cities that have created an inland port or industrial park to issue bonds or other securities to defray project costs supported by the tax increment areas. Sections 8 through 10, 17 and 18 expand the Inland Port Authority Act to include industrial parks and industrial park authorities. Those sections also provide that the Act may be known and cited as the Inland Port and Industrial Park Authority Act. Section 9 applies newly created definitions such as industrial park to existing Inland Port Authority Act provisions. Section 12 authorizes GOED to initiate the creation of an inland port or industrial park and authority subject to the Board of Economic Development's approval, expanding the initiative options. Section 16 expands the governing board of directors for the inland port and industrial park authorities by adding a Governor-appointed director if there is no participating city.

DANIEL STEWART:
Assembly Bill No. 428 of the 82nd Session was a groundbreaking bill that finally started to align our K-12 education system with higher education and also brought in the expertise of the other executive workforce development programs including GOED and some of the local workforce development as well. It was to try to get everybody on the same page such that there could be a long-term approach and vision. As our workforce development agencies see the need for certain workforce development jobs in the future, that message gets sent down to the K-12 [education system] where they can start setting up CTE [career and technical education] and dual credit programs to start graduating homegrown folks. They can then move forward into our higher education program. The first group that was going to do this was the teachers, with severe vacancies in our urban districts and particularly in Clark County.

The idea was to help home grow our teachers and to have them come from the very communities we hope they would come back and teach in so that we could have the diversity in the teaching force that matches the diversity of our students. As part of that, the vision was that you go through four years or two years in high school, you complete your training, you go into higher education, you get your degree, and then you come back to the school system, and there would be a pot of money that was appropriated last session to help pay for last dollar expenses to make it so that you could be tuition-free and become a public school teacher here in Nevada. So that program is in place.

There were some issues with implementation. Trying to get everyone together on the same page has been difficult, but with all the stakeholders, we came up with this fix. So A.B. 462, section 19 expands that. It is not just the State Treasurer, it is also the Department of Education that worked together to set the regulations on this. We have also expanded eligibility on who can apply for this funding that was set aside. Initially, it was only for those that completed the whole program. But recognizing that some schools are taking a while to implement it and get it going, we want to make sure that students that graduated that would otherwise have participated in the program can go on to complete the remaining [portion] of the program that is in existence. They can seek to have those tuition costs reimbursed as well. Additionally, [we] made it clear that if you receive financial aid, it is not something that would be counted against you for your reimbursement process. That is the bulk of section 19.

Section 22 really just cleans up some of the coordination in the local school districts with how they implement these programs. Section 23 is the big section that brings all these various agencies together by creating the Career Pathways Oversight Committee. [It will be] staffed by the various workforce development [agencies], the K-12 [system] and NSHE [Nevada System of Higher Education] where they can get together and decide not only how to implement the teacher program but how to coordinate this information on future workforce needs and get it down into our K-12 schools and on to higher education.

Lastly, there was some confusion based on the last bill, whether CTE or dual credit classes could qualify. Section 25 makes it clear that both of them can qualify, so the school districts and schools will have flexibility.

SENATOR DALY:
I have not heard of this bill since 2011. That was my first session. Was there tax increment financing allowed under the existing inland port measure?

MR. WOOD:
No. Currently, there is no public financing option available to an inland port authority under the statute as it exists today.

SENATOR DALY:
Understood. Any time we have done these types of public financing options even for private entities and various things, we have always required—always, it is in several areas of statute—that if you are receiving an incentive over $100,000 or they sell the land to you at less than fair market value, the requirements of NRS 338.013 through NRS 338.090 [are that] prevailing wage applies to your project to the same extent as if the governing body had entered into the contract. Is that in the bill?

MR. WOOD:
We will clarify that. It is our intent. It would be essentially a local government project. It would be the government entity, whether it be the port authority working with the city or county that is doing it. There was never an intention to get around any normal course of action there.

SENATOR DALY:
Understood. That is why we have two Houses and a lot of different people that look at the bills and various things. I do not see it in the bill; we have always done that. These are going to be private projects. Someone's going to apply for the increment financing, there’s going to be a district drawn, everyone's going to be put in, and then there's going to be stuff that is put forward. I know on STAR bonds, sales tax, anticipated revenue like they did at the marina in Sparks, they issued bonds in anticipation of the rest of the stuff being built. They went in and did a bunch of infrastructure to facilitate buildings coming in, put the roundabouts, brought sewer water and did all of that stuff. Then that triggered the requirement as an incentive to all of the other businesses that came in and built afterward, the Scheels, the Target. Everything that went in there, at least on the first phase of it, was required. Even though they were private entities, and they did not have to publicly bid, they did have to follow the prevailing wage requirements and turning the reports and all the rest of it. I just think we need to be very clear and have that language in this bill.

ASSEMBLYMEMBER BACKUS:
A lot of the bill was to update existing statute. I was quickly looking through NRS 277B, and I will look at the other provisions because it captures in there that some of the authority—like the board of director’s authority—is open [subject] to the Open Meeting Law and things like that. I am trying to quickly go through there, but it was not our intent [to remove that]. It looked like the folks that have been really interested, and you'll hear them speak in support, are

municipalities. I will kind of keep looking through the statute to see if there's another provision in NRS that does capture this.

SENATOR DALY:
I was looking at the existing statute; I went backward looking at the bill. It is not in there. I do remember when we had this because I asked those questions back in 2011. This is public financing, and there was a lot of discussion over that and how it was going to work, and it was an unknown. I do not know that we hit the mark because, as you said, nobody has used it. I do not know if there's an actual board that meets. But if we are going to go with this and the tax increment, it is definitely a concern and obviously needs to be in there. The same thing with the Open Meeting Law and all that, which is a good point as well.

MR. WOOD:
The public meeting requirements are already in place for the board to our understanding. But we will follow up with you on the prevailing wage piece.

SENATOR DALY:
It is not in the law as it is now, and I do not see it in the bill. So we need to cover that because—and I know the municipalities want that, and we are anticipating these are going to be partnered, but they are not going to be direct government jobs. There's going to be some other investor that is coming and saying, "Hey, I am going to build this warehouse. I am going to bring in this inland port type of a project with private investment partnered with the local government." So we have to put that language in there.

SENATOR NEAL:
[In] A.B. 462, section 5, we have the definition of how you are doing the boundaries related to what is in the inland port. So there are overlapping tax rates and overlapping boundaries. Talk to me about how this will be constructed. Because the way that it is written in section 5, subsection 2, "If an inland port or industrial park is created by two or more participating entities, the participating entities may enter into an interlocal agreement … ordering [of] an undertaking [whose] boundaries encompass all or part of the inland port or industrial park and the creation of a tax increment area and … account pertaining thereto." So the way I read it, you have potentially overlapping tax rates and boundaries because it does not eliminate another TIF [tax increment financing] from being included.

MR. WOOD:
Forgive me if I am not quite understanding the question, but the use of tax increment financing in this would be determined in that interlocal agreement between the governing bodies, the city and the county so that, yes, it would be different rates that they were paying to the different jurisdictions, but they would be using the increment.

SENATOR NEAL:
I think my issue is the boundary language and that there is some overlap in what does that mean. Because when I was reading A.B. 462, section 7, subsection 3, paragraph (b) where it says that the "participating entity may also issue [general obligation] securities other than the ones authorized by this chapter," I started thinking about the financial picture of what this looks like, putting what is in section 5 and section 7 [together] because the general obligation securities are more than what the inland port will secure its debt for. The statement says that they are also able to do [TIFs] other than the ones authorized by the chapter. That is additional debt or GO that can be sucked under this. That's the way I am reading it. Because I am reading the two sections together, just talk to me about the financial layout of this. It is a cake; lay out the cake.

MR. WOOD:
I think I understand the boundary question, and forgive me if I do not answer it fully. I will follow up with you. If, let us say, half of the district that is created for the inland port authority is in the municipality, and obviously, all of it is in the county. The increment for the city's portion of it would only be taken on the pieces of the property that are paying taxes inside of the boundary of that city if that makes sense. Then as far as the bonding piece, I would say that what we also did in the bill is to allow the inland port authority to collect fees—that was not in the previous statute—to adopt a fee schedule so that they would have their own revenue inside of that port authority that they could then leverage against.

SENATOR NEAL:
Before I ask this question, explain to me how you expect the debt to be structured, the general obligation bond that will be associated with the project.

MR. WOOD:
How we had anticipated that it would be structured would be one part of that interlocal agreement with the local governments when they established the port authority but also the revenues that the port authority itself would be generating. As goods and services are moved in and out of that port and they are collecting those fees, they would be able to use that revenue for bonding purposes if they decided to.

SENATOR NEAL:
So second question—I know the answer, but I need you to answer it for me. What is usually the asset that is associated with the general obligation bond able to be changed midstream?

MR. WOOD:
You are talking about the revenues that would be used to back up the bond, right? The port authority would adopt a fee schedule by vote of the board that is appointed by the local jurisdictions and the Governor if there's no participating city. They would adopt that fee schedule, that would be public, and anyone moving goods in and out of that port would have to comply with that fee schedule.

SENATOR NEAL:
So I am asking this question about the general obligation bond and the asset or revenue that is securing it. Because on A.B. 462, section 5, page 5, lines 18 through 23 [where it says,] "A participating entity may amend an ordinance creating a tax increment [area]" and then, "Modify the undertaking by specifying new undertakings or removing or modifying" the undertaking, the undertaking to me is a project. So if you are able to go in, although permissive, and then amend the project or then add or remove, there is activity in the middle of a bond issuance that is occurring. So that is what I want to understand and have you break down for me how that works when the bond has been issued. And now there is a removal or a modification …

MR. WOOD:
[Due to technical issues, a portion of this meeting's recording has been lost and is unable to be transcribed.]

SENATOR NEAL:
… because it led me to the overlapping boundaries. If you are going to use these MOUs [memorandums of understanding] to then have a tax increment area and then it is being created by overlapping rates that may generate revenue, why is there an ability to remove that area from a tax increment district that [it] may have been bonded for? If you are saying, "All right, we are getting ready to bond. We've stacked our cake," now you can play with this area in so many ways, and I really want to know how that affects the bond that is associated with it. You have this debt that is being secured, and then you can add to the area which means [it] could be a surplus, but then you can also remove from it; you can also modify the undertaking of the project that is associated with it. So, the way I understand it, if you bond, you know what you are bonding for. There's some certainty in what you are doing it for. There's an expectation that when you have this payback of the bond, you know how you will get paid back, and there is a clear movement in that. That is what I really need you to break down for me because I feel like you placed in this bill on section 6 this kind of like waterfall payment, like if the revenues come in blah, blah, blah. But on the front end, you get to mess around with the project and then change the areas or interchange and remove. I just do not know how there's certainty in the debt being paid back when you can literally play around with and rearrange like a puzzle piece the project and the land.

MR. WOOD:
We will do the follow up that I had mentioned previously because I do think that this is language that we pulled from somewhere else in statute regarding tax increment financing. But as we look at what an inland port is and an industrial park, they do grow and change as technologies change, as new companies come to the area, and they need a new type of infrastructure to handle the goods and services that are coming in. I believe that section you are talking about, about changing the area—as these projects sometimes do, they tend to grow and expand. Those actions, if an inland port is expanding, would actually grow the revenue that the inland port authority is generating.

SENATOR NEAL:
I get it. But help me understand because I have another question. Typically, a tax increment also brings in the property tax rate, right? So a property tax rate is included as a revenue rate that we are going to try to figure out how to get some additional increment from, yes? So, if the land that is associated with that property tax rate, which then establishes the bond and can be removed—what

does that mean for the project? Like you gave me one answer, which means, we may have additional projects or things that are in the inland port. But the way that the structure of this is, the land itself could be removed from this created boundary. So if there's a property tax rate associated with it, what does that mean if someone decides to remove the land, which is a part of the structure of the revenue cake?

MR. WOOD:
If land were removed, that would be—so this section does govern the local governments entering into the interlocal agreement to create this project, how that is governed and how they'll do it. So, I believe that as these local governments are working through these projects, [the] projects change as we mentioned previously. So again, this was taken from somewhere else, and we will follow up with you. I think this is the flexibility for the local governments to determine what is the best use.

SENATOR NEAL:
So in A.B. 462, section 7, lines 39 through 44, this references back to section 5. This is on the GO security where I was asking before but in a different way. You have, "[A] participating entity may also issue general [obligation] securities other than the ones authorized by the chapter that are made payable from taxes without also making the securities payable from any net pledged revenues or tax proceeds accounted for in the tax increment account." So what is that? What are you bringing in? I am trying to understand what is outside of what is already being obligated under the security. What are the other things that are not authorized by the chapter that you will roll in? Because it looks like when you read the sentence "without also making the securities payable from any net pledged revenues or tax proceeds accounted for," it is clearly something else, and it also looks like you can take something that was not actually pledged to the project. I do not know if I am reading it right. I am tired, but I really want to understand that language because that language is excessive.

MR. WOOD:
When we are talking about a participating entity in the bill, we are talking about the municipality that it is creating the inland port authority and that tax increment area. My understanding is this would allow them [the municipality] to enter into other funding mechanisms in that space if the need arises or if they chose to.

ALEJANDRO RODRIGUEZ (Nevada System of Higher Education):
The Nevada System of Higher Education is in support of this legislation. We look forward to the way this legislation will help build up our educated workforce.

MR. BENAVIDES:
The University of Nevada, Las Vegas, is here in support of A.B. 462. This bill represents a bold, thoughtful investment in Nevada's future. We know that strong teacher pipelines do not just help schools but entire communities. Assembly Bill 462 expands access to higher education, creates early and meaningful opportunities for students to explore teaching and reduces the barriers that often keep our most promising young people from entering the profession.

The UNLV College of Education was proud to be the first institution in the State to embrace A.B. No. 428 of the 82nd Session that was a precursor to this work. Because of the thoughtfulness of that bill, we quickly built viable pathways aligned with the school district's needs and have already seen the results: students from across Nevada gaining confidence, skill and a clear path to a teaching career. Our work has touched students from Las Vegas to rural communities and tribal lands, proving that this model works and it matters. Assembly Bill 462 builds on the momentum and does it in a meaningful way tied to the economic impact of our State. We urge your support.

ERIKA LOVELAND (Latin Chamber of Commerce):
We are in strong support of both an inland port and a teacher pipeline. We support A.B. 462.

NICHOLAS SCHNEIDER (Vegas Chamber):
We are also in strong support of A.B. 462 [and] very excited for the economic development opportunities. If you recall last year, there was an intermodal line between the port of Nevada in Fernley and Oakland, as well as the opportunities down with projects like the supplemental airport in Jean.

DANIEL GIUDICI (City of Fernley):
We are in strong support of A.B. 462. Fernley is already home to Nevada's first designated inland port, recognized by both State and federal partners for its strategic location, multimodal infrastructure and proven logistics performance. Our inland port is a key driver of economic activity in Northern Nevada, sitting at the crossroads of Interstate 80, U.S. 50 and the Union Pacific Railway. We

commend Assemblymember Backus and the stakeholders of A.B. 462 for recognizing the importance of inland ports and industrial parks to Nevada's long-term economic competitiveness. We support this bill's goal to formalize governance and encourage strategic investment, and [we] look forward to aligning our ongoing efforts with the statewide framework. In this legislation, Fernley is ready to lead as a model inland port and collaborate with partners across Nevada to realize the promise of this initiative.

MATTHEW SAULS (Nevada Trucking Association; Nevada Manufacturers Association):
The NTA [Nevada Trucking Association] and NMA [Nevada Manufacturers Association] support the development of inland ports to help fill a critical need in Nevada's economy. Moving goods to and from ports to manufacturers and consumers keeps our economy moving and growing. In addition, the trucking industry is one of the railroad's largest customers. As stated in the presentation, Nevada is strategically positioned to be a logistics hub due to our proximity to two of the nation's largest seaports. Nevada truckers stand ready to take this important next step. We fully support the inland port provisions of A.B. 462.

MICHAEL FLORES (University of Nevada, Reno):
On behalf of the University of Nevada, Reno, I want to thank the sponsor. The university has over 35 dual credit collegiate academy programs throughout the State, and we are grateful for this legislation.

MS. STIDHAM:
Ditto for everything that you already heard. In Southern Nevada we also would love to be a little bit more like Fernley and have an inland port. There's a tremendous opportunity to shore up all of our supply chains and make investments for logistical hubs. We'd love the opportunity to afford that to the residents of Southern Nevada. We [the Las Vegas Global Economic Alliance] strongly encourage your support.

EMILY OSTERBERG (Henderson Chamber of Commerce):
We and our over 2,000 members want to express our support for A.B. 462. Economic development is a priority for the Henderson Chamber. This legislation represents a crucial step forward in addressing longstanding infrastructure gaps, accelerating economic recovery and positioning Nevada as a major player in the future of freight commerce. For these reasons, we urge your support of A.B. 462.

MARIE NEISESS (President, Clark County Education Association):
I am here today to express my strong support for A.B. 462. During the Twenty-third Legislative [Special] Session, the teacher pipeline [bill] was passed. However, implementation proved challenging. Assembly Bill 462 identifies key areas that require adjustments to strengthen the effectiveness of this legislation. Assembly Bill 462 will help level the playing field by addressing systemic barriers to career success and ensuring that all students have equal access to career opportunities by supporting students. The structured pathways program will help address our teacher shortage. Clark County Education Association (CCEA) is committed to supporting CCSD [Clark County School District] students. We are collaborating with CCSD Superintendent [Jhone] Ebert to ensure the successful implementation of the teacher academy college pathway. Furthermore, CCEA is investing $2 million to help offset costs for CCSD students, reinforcing our commitment to tackling the teacher shortage head on. I urge you to support A.B. 462 to help build a stronger future for Nevada's students.

JOANNA JACOB (Clark County):
We worked with Assemblymember Backus and GOED on this bill on the Assembly side. In particular, we worked on some amendments about the adoption of the fees in A.B. 462, section 17 and how to structure the projects around an airport because we have our supplemental airport in southern Clark County. It is actually a great site to think about an inland port. We are in neutral but supportive really. Senator Neal [had] interesting questions today on tax increment funding. So we will work with GOED and Assemblymember Backus on some of those issues. I am really almost supportive on some of the amendments that we worked on.

KATRIN IVANOFF:
I am in support. I think that was a good, strong bill.

CHAIR FLORES:
I have four letters of support for A.B. 462 (Exhibit D). We'll go ahead and close out the hearing on A.B. 462 and open the hearing of A.B. 539.

ASSEMBLY BILL 539 (2nd Reprint): Authorizes the Department of Employment, Training and Rehabilitation to establish a career coaching program for certain pupils in certain circumstances. (BDR 18-418)

ASSEMBLYMEMBER SHEA BACKUS (Assembly District No. 37):
I am happy to come before you to present A.B. 539 on behalf of the Joint Interim Standing Committee on Revenue (JISCR). In accordance with NRS 218.320, the Joint Interim Standing Committee on Revenue met after the last session to evaluate and review issues within its jurisdiction. At the April 29, 2024, JISCR meeting, various agencies involved in workforce development presented on various workforce development programs in Nevada. From these presentations, it was highlighted that the responsibility for implementation of workforce development efforts is shared by a number of state and local government entities and private organizations. In response to the JISCR chair's request to various agencies providing workforce development as to what policy could assist with their needs, presenters, among other issues, pointed out the need to target disconnected youth with workforce development programs and the challenges associated with effectively reconnecting them.

In Workforce Connections' presentation to the Joint Interim Standing Committee [on Revenue], it introduced a career development program that is used in Maryland and Mississippi which provides career development support from middle and high school levels on as potential models for programs for disconnected youth in Nevada. Based on the suggestions, the committee recommended to draft a bill to require the Governor's Office of Workforce Innovation to pilot a career coaching program in collaboration with other agencies to support middle school and high school students [as they] are exposed to, prepared for and connected with career avenues within and beyond the classroom setting.

After that bill draft was introduced, the bill was slightly modified. I had the opportunity and Director Sewell helped with making this bill kind of work because when it started, it was to the extent funds were available, and that made the Assembly a little nervous just having a bill out there that did not have a revenue source or [a plan for] how this is going to get implemented. We turned this over under DETR [Department of Employment, Training and Rehabilitation] and also looked at ways instead of it just being applied to every school where funding is available, how that would look. We added language to the bill to look at zip codes that have the highest rate of unemployment to focus on middle schools within that community. The whole point is to look at a career coaching program to reach out to our middle schools especially because our high schools have so many CTEs and other programs we just want to make sure middle school students are aware of [these].

CHRIS SEWELL (Director, Nevada Department of Employment, Training and Rehabilitation):
I want to thank Assemblymember Backus for working on the amendment to this bill. One of the biggest reasons why we wanted to move it from the Governor's Office of Workforce Innovation to DETR as a whole is DETR has a much wider breadth of funding mechanisms, and we can braid funding with other agencies including the possibility of braiding funding with our rehabilitation division for getting into the middle schools and high schools. I think this is actually a very good opportunity. When that funding does come available, we can actually start braiding some of the funding. I think it is going to actually work out very well.

CHAIR FLORES:
I close out the hearing on A.B. 539 and open the hearing on A.B. 540.

MR. AICHROTH:
This bill addresses many foundational issues in housing in the State and provides a solution to facilitate the development of attainable housing by increasing the supply of housing in the State for those across the affordability spectrum while reducing barriers to that same development. The Department of Business and Industry (B&I) will use the tools provided by the bill to facilitate the development of attainable housing. The Legislature will have oversight in that process. We will cover how attainability and affordability are defined, how we can encourage housing development in rural communities and how the Housing Division initially views appropriations from the Nevada Attainable Housing Account.

Sections 2 and 8 of the bill effectively talk about definitions. I would like for the committee to pay particular attention to A.B. 540, section 6, where an eligible entity is defined. Section 6 encompasses all of our partners in the development of attainable housing, including those who have a track record of working with the Division, and allows for expansion of participants who are looking to engage in solving our affordable housing issues and attainability. Section 9 establishes the Nevada Attainable Housing Account, and there will be a greater discussion about that account later in this presentation. Section 10 prescribes the uses of the funds, and these uses include: competitive loans, grants and rebates for the development of attainable housing; loans, grants and rebates for the development of our traditional Low-Income Housing Tax Credit properties; supportive housing assistance; rental assistance and eviction diversion programs; land acquisition; homeownership opportunities; and incentives for local governments to increase the supply of affordable housing.

Attainable housing oversight and processing of the account will be done in the manner described in A.B. 540, section 11. The Division will create what is called an allocation plan, similar to what we have now in our Low-Income Housing Tax Credit program, referred to as a qualified allocation plan or a QAP. This document will be created and modified annually and will specify how the funds will be allocated considering a competitive process whereby the Division, in concert with the [Nevada] Attainable Housing Council, will evaluate the experience of the applicant, the impact of the proposed housing project, the sustainability of the project and compliance requirements. It is important to note that this will be a public process including public workshops to gather input from housing stakeholders in the development of the plan.

Oversight of the process is twofold. First in A.B. 540, section 14.5, the Division will be reporting to the Interim Finance Committee twice a year on the status and impacts of the fund and other demographic information that will help inform you all about the fund. Secondly, in section 15, a seven-member council will be appointed to provide oversight and additional guidance for the administration and allocation of the account. Four of those seven members will be selected by legislative leadership. Section 16 allows for disclosure should there be a conflict of interest with a council member on a project. Section 17 specifies in greater depth the responsibility of the council. Sections 19 and 20 guide the Division in the event the Division establishes a program for rental payment reporting to credit agencies. This provision applies to those who are renting apartments, homes or reside in manufactured home communities. [Such a program] can assist those Nevada households who are currently renting but would like to use their track record of rental payments as a source for determining creditworthiness while considering the purchase of a home.

Section 22 of the bill allows the Division's annual allocation … [unintelligible statement] … to 150 percent of area median income (AMI), allowing the attainable fund within the allocation plan to focus on home buying opportunities in this space. As proposed, this would then establish four tiers of affordability: 0 percent to 60 percent AMI, 60 percent to 80 percent AMI, 80 percent to 120 percent AMI and 120 percent to 150 percent AMI. All of those tiers would then be considered as attainable housing. Sections 30 and 31 prescribe [a] methodology for the prioritization of reviewing and expediting attainable housing projects by local jurisdictions. Sections 34 and 36 allow for energy efficiency measures to be calculated into the cost of housing. Section 37 redefines [how] the local jurisdictions can provide for incentives for attainable housing projects, not just limiting those incentives to projects at 60 percent AMI which is current statute.

Sections 39 through 46 amend NRS 624 of the state contractor statutes to allow for additional flexibility in rural areas for the benefit of attainable housing projects. These include reciprocity for out-of-state contractors and an expiration date of those reciprocal licenses occurring on December 31, 2029. [They also] define a rural area as a county whose population is less than 100,000, any city in a county whose population is less than 100,000 or a city whose population is less than 60,000 in a county whose population is greater than 100,000. In addition, there are specifications for the issuance of a provisional contractor's license to be issued. These exceptions only apply to those engaged in the construction of an attainable housing development which actually receives funding from the Nevada Attainable Housing Account. Section 47 requires the Division to transfer any money that may exist that exceeds the initial allocation of the account back to the General Fund. Section 50 establishes the appropriation of $133 million to the Nevada Attainable Housing Account.

MS. HESS:
Section 50 establishes the appropriation of $133 million to the Nevada Attainable Housing Account. In developing the initial allocation plan—this will be the initial draft that is sent to the Attainable Housing Council for their guidance and input. Through the work of the task force that was developing this legislation for the last year, the Housing Division has envisioned $83 million to support the development of attainable housing to serve those at or below 150 percent of AMI including loans, grants or rebates. These loans, grants or rebates will also support the development of Low-Income Housing Tax Credit properties and land acquisition for the development of attainable housing. The Division has envisioned $25 million is currently for homeownership opportunities. The Division has contemplated downpayment assistance, interest rate buydowns or other financial support. Another $25 million is envisioned for incentivizing the development of attainable housing for local governments and as a matching grant program for our local governments.

You may recall that financial assistance for supportive housing development and rental assistance and eviction diversion were mentioned earlier as eligible uses of the fund. Through the process, and with other legislation that is pending in the Legislature, these are still eligible uses of the fund, and it will allow the Attainable Housing Council some flexibility. But currently they are not envisioned to be funded in the initial allocation plan as those funds reside elsewhere. The initial funding plan charts a course for the Division, the council and the establishment of the allocation plan. But we anticipate that there will be changes to the allocation plan as we begin to work the program and expend funding, evaluating the impacts to the housing ecosystem in the State and identifying underfunded needs. As previously mentioned, these decisions are not made in a vacuum, certainly not just by the Division but with consultation from the council, and those modifications to the plan, should they occur, will be provided to the Legislature.

SENATOR ELLISON:
I have had calls, and a lot of people want to get into low-income [housing], but there's still a group that is below that: [people who] live in small RVs and RV Parks. RV Parks have got to the point where they are really expensive. I live in my motor home here when I stay here, and that is $1,100 a month not counting utilities. You mentioned mobile home parks, but does that also include RV parks? I got people that are trying to build them that are running into issues.

MR. AICHROTH:
The definition of an RV park is different than that of a manufactured home community or mobile home park. So as it sits right now, that is not contemplated in this legislation.

SENATOR ELLISON:
That falls under … [unintelligible statement] … large group of RV people that is living in them in small RVs. So I thought I'd ask the question.

SENATOR DALY:
In A.B. 540, section 6, when we are talking about entities eligible to receive housing from the Nevada Attainable Housing Account created in section 50 [9], then you are going to have a plan and a board and all that kind of stuff—what type of state agencies are going to want to do this? Local government, nonprofit housing authority, tribal government, the Housing Counseling Agency in the United States Department of Housing and Urban Development (HUD)—what are we talking about? I have specific questions about the private entity

part, but how do you anticipate that working with government agencies [that] are going to be asking for dollars for this type of stuff?

MR. AICHROTH:
It is really designed to encapsulate all of those entities that really rely on our traditional programs. We engage with all the local jurisdictions, county governments, in providing them funds. A specific part of the attainable fund does reference potential local jurisdictions. Should they incentivize the development of affordable attainable housing, we work with nonprofit organizations on a daily basis in getting either rental assistance or even development. Housing authorities are great partners in this space whether they are going to come forward for development or any other kind of assistance. We've provided a couple of funding mechanisms in our LIHTC [Low-Income Housing Tax Credit] program to tribal governments. Just south of Carson City are 20 units of affordable housing that were provided to the Washoe Housing Authority which cut their waitlist in half. We would love for them to be eligible for this particular fund if we can get the other half done and really solve their crisis. Housing counsel agencies are certified by HUD, and we work with those entities, discussing homeownership opportunities, education and things of that ilk. Then to your point, [for] private entities, we do every question on them.

SENATOR DALY:
So based on that answer, you say these are things we’re already doing, that you're working with these primarily through programs that exist under the Division now.

MS. HESS:
As we envision A.B. 540, section 6 and the Attainable Housing Fund, it is important these are partners, traditional partners of the Housing Division across various programs. Assembly Bill 540 is truly leading edge; it is not a space that the Division plays in all the time as we consider a slightly higher AMI or potential single-family development. In section 6, what you see captured are really the possible entities that could come to the table that we already have existing relationships [with] across other programs. But [we are] not wanting to be exclusive as we implement the attainability fund.

SENATOR DALY:
I am just trying to say that you guys have relationships with these [organizations]. You have other funding sources. What are those funding

sources? Now you're going to have, potentially, this new tranche of money. How come it does not fit in with what you are already doing? Why do we gotta go through all of this? You have a funding source now, and you are doing all of these things. Now, I understand you may change the tiers, and that will expand—absent of this, even if you just change the tiers, you can do what you are doing with the money and the possibilities you have now. So why are we remaking the wheel?

MR. AICHROTH:
I would not describe it as a remake. I would describe it as clarifying the specific eligible entities for this fund. We are kind of isolating this fund in this particular language. It is broad enough to get to all our stakeholders that we feel we would be able to engage with. But if you do not define those eligible entities, then who are we potentially giving or loaning money to or providing rebates to? So, this really clarifies the entities that can come forward for funding from the allocation plan.

SENATOR DALY:
From what I understand, you already do all of these things.

MS. HESS:
Senator Daly, to be clear, no we do not. We have all these activities and programs, but much like our partners, our main charge is Low-Income Housing Tax Credits. We are supporting affordable housing in partnership with resources that come from the U.S. Treasury. We have a small amount of funds through HUD as well that will come alongside. But all of those are federal resources targeted specifically to affordable housing and almost exclusively a very small portion at or below 60 percent AMI. The attainability fund really is leveraging the Division's experience, expertise and programming across how we have normally worked with our other partners to expand into a space to meet Nevadans where they are, where there currently are no homes. Are the starter homes getting built? No. Townhomes, for-sale condos—the housing that we all know is currently not getting built—that is the primary target.

In the stakeholder conversations, we know what an important resource the Home Means Nevada initiative funds have been in gap financing, and those funds are gone. We've half spent of the $500 million. It has all been obligated, and we know it is all going to be spent. Everybody is asking the Division what is next. In the attainability fund, a portion of that will also be used to continue to incentivize that as the gaps in those projects continue to grow. By increasing the AMI [percentage] and expanding the types of uses, we are now going to enter into space, utilizing our experience in leveraging existing programs to support our Nevada partners to build and develop the housing that is not getting built for the Nevadans who currently can't find housing.

SENATOR DALY:
Well, you mentioned the Home Means Nevada fund, and that money has been allocated and been out there for a little while. How are the rules under this different than the rules under that other than the income levels? I know those are looking to be changed, and the federal funding is different thresholds and rules. But on application and partners and all that stuff, we are going to have now a third set of rules for this tranche of money.

MR. AICHROTH:
The Home Means Nevada funds specifically were guided by ARPA [American Rescue Plan Act]; SLFRF [State and Local Fiscal Recovery Funds]; and [U.S.] Treasury statutes, regulations and policy. Effectively with the use of this fund, we do need to establish new rules for the allocation plan. What we are going to do in an allocation plan is to take what already exists federally, absent a restriction, and use that as a model and a template for determining how we develop a competitive process to allocate these funds.

SENATOR DALY:
We will move to the A.B. 540, section 6, subsection 7: "Any private entity that enters into a public-private partnership with the State or a local government to offer any of the following." What are you envisioning there? How does that work? Because, and we have had this discussion on other issues, everyone uses the term public-private partnership, but it means vastly different things apparently than the way I understand what it is or the areas that I have seen it. Then if they offer any of this, and this would not just be to the State—I am assuming the State is the Division—but it would be to local governments as well. They are going to offer competitive loans. So how are you doing this? Who are these developers or the private partners that are—I mean, you are going to have banks coming and saying, "We are going to do this"; they are going to offer loans, grants, rebates to support development of tenable housing. Who are these people out there? Where are they, and why aren't they already doing this stuff on their own? If they are there, what are we doing, and why do they need us if they've got the money to do this?

MS. HESS:
Public-private partnerships—as you said, that word gets tossed around a lot—are what we do when we talk about Low-Income Housing Tax Credits. We have thousands of units under construction right now. All of those are a public-private partnership; not one of them has only public funds coming to the table. Sometimes, it is a land donation from a local government. Sometimes, it is the Home Means Nevada initiative funds, it is home funds, it is Clark County Community Housing Fund, or it is the Washoe County HOME Consortium funds. Then let us bring in the senior debt lenders. All of the big players are playing: Citi, Bank of America and Wells Fargo. Typically, bigger players come to the table to make these Low-Income Housing Tax Credits pencil, not our community banks, because these are typically $30 million, $40 million or $70 million projects. Equity investors [are also often involved].

What is also really important for the State—so when we are coming in, we are one layer. For example, state tax credits that may be one layer, or the State administering federal funds. That's how we would consider the public-private partnerships. The amount of underwriting and scrutiny that goes into these projects allows the Division to have a very healthy portfolio of affordable properties—about 35,000 units right now. So in this, I would envision a bank to come to the table, and why are not they doing this? This is exactly why we need the attainable housing fund. It is for the housing that is not getting built. The Division does not envision actually doing the work of private industry. What we want to do with this fund, and in partnership with the council and as feedback to the task force that helped inform this, is to partner with private entities to help them do the deals that they are not doing.

So yes, I hope it is a bank, and we have had the meeting with the Bankers Association, and our community banks across the State have already sat at the table with us a couple of times already exploring how that partnership looks. [We've asked them,] "How can we help you do the deals that you are not currently doing, which are building the homes that are not currently getting built for Nevadans?" This is not a fund for 3,000-square-foot homes; this is a fund to really catalyze and get more housing built, to get people who are in RV parks [to] not have to live in RV parks—also, our essential workers and our children who are caught in this space where there's just not housing that is attainable or affordable for their incomes.

SENATOR DALY:
Maybe I am just not understanding completely. So the public-private partnership, the way I understand it, is you have a private partner who is saying, “Hey, we will come and do this deal. Maybe you do not have the money right now, whatever. So we will upfront some of this, but then we get to operate it, we get to maintain it, and we are going to collect the rent, and you are going to give us the difference to market on that.” The way this is written is like these guys are coming to us out of the goodness of their hearts and will give us a competitive loan if we pay them back plus, if we will help get this started, if we give them rebates back for some things that they paid for. I am just not quite following it. You told us earlier on the existing stuff that you guys do. Basically, you administer HUD funding for that. So the federal government is giving you the money, and then you are partnering with people and saying, “Hey, you can get some of this federal money if you do some of this affordable housing and the low-income housing and various things.” Is not this basically just the same thing? We're going to get state money, and we are going to give it to private developers, potentially, if they apply and say, “If the deal is good enough and you are going to give me enough money, then I will build this low-income housing.” That's the way I am understanding it. They are not doing it out of the good in their heart.

MS. HESS:
I think it is probably a combination of goodness of heart but also a business model. This program will support the business model to be feasible, to build the housing that is not getting built. This is going to go through and have guidance with the Attainable Housing Council, but we are not looking to give money away. Primarily, this will come in as a subordinate loan blending down the interest rates. As we know, the interest rates are still pretty high. So, this can come in and blend down the interest rate to make a project feasible to build attainable housing. Developers are sitting on land that they are currently not developing because it is not the right market or they can't get the loan from the bank. So how are we coming in? We help them to provide low-cost financing to take down that land that they'll then pay us back for, but now they can hold it, package their product, build their product and offer it to Nevadans for sale at an attainable price that they currently can't do for various reasons. Those are just some of the examples. Is it that there's money put in as collateral into a bank as a deposit to allow the bank to do the deal and move the project forward? The Division is a housing finance agency. We have standard templates. These are

programs we do; we also work with every project and all of the partners at the table to get the project to the finish line.

SENATOR DALY:
Maybe A.B. 540, section 6, subsection 7 reads awkwardly or can be read both ways. I read it [as] "Any private entity that enters into a public-private partnership with the State or a local government to offer any of the following." So who's offering any of the following? Is it the public-private partner, or is the State or local government going to offer competitive loans, grants, rebates to support? You can read that either way. Who's supposed to be making the offer? It is not the public-private partnership; it is the State or local government giving [up] something so these [projects] can pencil. I understand what you are saying on loan rates and various things. Who's supposed to be offering what to who? I can read it either way.

MR. AICHROTH:
As we envision, this is the way it sort of works with our current qualified allocation plan, going back to the templated version of what we do now. The Division, so the State, will be offering these funds for the development of attainable housing. In order to receive those funds, you need, as we envision it, to demonstrate what population you are going to serve, what impact you are going to make as a private entity into the space to be awarded that funding from the housing attainability fund. I hope I answered your question.

SENATOR DALY:
Yes. The language is less clear than your answer a little bit.

SENATOR OHRENSCHALL:
I appreciate what the intent of the bill is. I think our colleagues from rural Northern Nevada have seen homelessness get worse, but for those of us from Southern Nevada, I have never seen so many of our brothers and sisters unhoused as now. My question is on A.B. 540, section 29, page 26, at line 7, where we are defining tier four affordable housing. I see in NRS 278 tiers one, two and three affordable housing are defined. I wonder if you could just kind of walk the committee through who's qualifying for tiers one through three that are in statute now and who you hope to be able to help with this new definition of tier four.

MS. HESS:
To have this new tier formally designated that currently does not exist is particularly important, especially for-sale housing that is not getting built [but is] affordable to those who earn between 120 percent to 150 percent of AMI in their geographic location [who otherwise] cannot afford a mortgage on, for example here in Northern Nevada, a $600,000 or $650,000 home. By adding this tier to [tiers] one, two and three—so our traditional tiers where the Division spends most of its time—housing that is affordable to below 60 percent of AMI. We spend most of our time there because that is where our [federal] resources come in and tell us that we can spend our time, not because it is necessarily the greatest need. It is the greatest need, particularly, when we go below 30 percent of AMI; it is where we find our Nevadans struggling to maintain their homes. The 60 percent to 80 percent of AMI is a designation that we can also do a little of, and some of our affordable housing developers are doing more work in there through income averaging. At 80 percent of AMI is really a place where we start to see home ownership as a possible reality, meaning that you can maintain your mortgage, maintain your home and have that opportunity moving forward. So typically, 80 percent of AMI is where you'll start to see some homeownership programs come into play, whether it is down payment assistance—again, not a space where we do a lot, but we certainly do some in the 80 percent to 120 percent of AMI.

The new tier really expands that. This fund is hitting an area where we all know Nevadans, when you're out and about speaking to your constituents; we have the low income, which right now—the Home Means Nevada [funds] came in, and with our federal funding partners, we did and are doing a lot of amazing work for Nevadans, but there is a population in Nevada that is currently not served and currently in need for housing. That is what this new tier will allow the Division, and you as policymakers, to track and evaluate the progress and the need.

SENATOR OHRENSCHALL:
This new tier in A.B. 540, section 29—does this work with federal law and guidelines in terms of that funding being able to support folks in this 120 percent but not more than 150 percent of AMI? Is this something where Nevada will be charting new territory, or is this already something provided for in terms of federal funding?

MS. HESS:
I would say that currently there are not a lot of federal resources coming forward for this tier. However, for example, there's an existing congressional act, but the tier level that it is going up to is 140 percent of AMI. So should that come through, and it is a program that I believe is offering tax incentives, we will see where that goes …

[Due to technical issues, a portion of this meeting's recording has been lost and is unable to be transcribed.]

SENATOR OHRENSCHALL:
… for federal funding through your Division? Will it just be tiers one, two and three, assuming that act does not make it? I am not trying to be negative, but we just do not know what will happen in Washington.

MS. HESS:
No, we certainly do not know what will happen in Washington. I would say that this definition would not attract existing federal resources for housing that the Division currently knows of. However, this missing middle housing [or] attainable housing is a conversation nationwide. So while this is leading edge in Nevada and our country, this [aforementioned] act—there are a couple other states doing some similar activities here, but it is a conversation that we are having when we are speaking with our national partners because everybody is talking not just about low-income housing but housing that is missing and attainable housing.

SENATOR OHRENSCHALL:
Assuming this passes but the congressional act does not pass, then any funding for tier four affordable housing will have to be through the General Fund or the State. No federal funds would qualify for that?

MS. HESS:
To our knowledge at this time, yes.

SENATOR OHRENSCHALL:
I wonder, looking down at A.B. 540, section 30, [subsection 1,] "Each governing body of a county or city shall enact by ordinance: (a) An expedited process for the consideration and approval of projects for attainable housing in the county or city, as applicable." Then it goes into the expedited process. Over

on page 27, line 6 in section 31, [subsection 3], it says that "[If] the reviewing agency is not able to use the expedited process." Could you describe what you view the expedited process as being? Will there still be an opportunity for the public to comment and participate, or does this mean it will go to the head of maybe commercial applications or other types of zoning applications? I also wonder if you could comment on what would be the circumstances where the reviewing agencies are not able to use the expedited process?

MR. AICHROTH:
What we envision—some of our local jurisdiction partners are already doing this. So to your point, does it go to the front of the line in the zoning process if they need to change zoning for affordable housing? Are they going to reduce fees? Whatever that might look like in their approval of a housing project, all of those processes, and many more potentially, could be considered expedited and advanced for the development. Now, that is done not through the State; that is done at the local level through planning commission meetings and all that sort of stuff. To answer the question about a public process, I believe either if they are going to establish new rules, they have to do that, or it is already in their ordinances, statutes or whatever it might be. I think what you are talking about in A.B. 540, section 31 gives the ability for that local jurisdiction to talk about how they can do it differently if they do not have those processes established. That's my understanding of section 31.

SENATOR OHRENSCHALL:
I mean, the expedited process in section 30 kind of gives us some broad guidelines but does not have a lot of specificity. If this passes, do you foresee regulations in the NAC [*Nevada Administrative Code*] that would try to tell—whether it is a planning commission, zoning board, board of county commissioners or city council—what that expedited process needs to have, or do you think any of the blanks are going to be filled in? Because it kind of gives us generalities but not a lot of specifics.

MR. AICHROTH:
That could be—I am not saying it will be, but that could be a component of the allocation plan as we make the competitive process.

SENATOR NEAL:
I have questions on A.B. 540, section 10 and then section 50.5. In section 10, we have the list of eligible uses. My first question is on section 10, line 38,

which is the reimbursement of the local governments for waiving or deferring the payment of fees or taxes. What has not been made clear is what are the taxes that will be waived? And what you have estimated to be the amount that could be waived that you would be reimbursing [that] local government for?

MS. HESS:
This language here really takes [our efforts] to another level and supports our local governments to meet their communities where they are. From S.B. No. 103 of the 80th Session that was passed, that was enabling legislation for local governments to waive or defer taxes and fees. The Division certainly does not envision telling the local governments what to do. In fact, many of our local jurisdictions have already taken that action themselves. They are limited currently by statute to the AMI so that it is low income. I believe it is 60 percent of AMI at this time. This would allow them to meet their community needs. Senate Bill No. 103 of the 80th Session also did building fees and sewer fees, for example. But this is going to be the local jurisdiction developing and adopting a plan for the fees and taxes that they would waive. As a good example, the City of Reno—they were the first local government to adopt this—did sewer deferring fees and I believe even some building fees. They've taken action, and the fees and taxes that they've either waived or deferred have been critical to low-income housing tax credit projects getting done.

But for that being a piece of the funding source—since they've enacted it, I would like to say it is around $12 million in fees that they've waived, somewhere around there, over multiple projects. Sometimes, as I have watched them come through [the city] council, there has been about maybe $1.2 million total in one session that is coming across three different projects. So the amounts will vary. The Attainable Housing Fund has always envisioned leveraging resources other than rental assistance. So the $25 million in A.B. 540, section 50.5, that would then be available to local governments who've said, "Hey, per A.B. 540, we have waived and deferred taxes. We have this program; we have got this housing built. We spent $2 million ourselves. Housing Division, we'd like to have a match of that." Is that helpful?

SENATOR NEAL:
It is helpful. I am glad you brought up S.B. No. 103 of the 80th Session because we did hear that was the housing authorities being able to go on a public-private partnership. We had an extensive hearing on that, where those public-private partnerships would not be subject to Open Meeting Law. That's

probably a conversation for another day. But I wanted to know, on [page 6,] line 39 of A.B. 540, section 10, did that include property tax? Because this is open-ended. It does not reference S.B. No. 103 of the 80th Session, but if there was a property tax that was waived—because it says, basically, reimbursing the local government for something that they may waive. We also have some land provision language in this bill. Is property tax on the table or not? Is it eligible to be waived?

MR. AICHROTH:
We've not seen it. The only place where property tax gets waived currently is in our tax credit projects—Section 42 LIHTC projects, typically. But as I read this, yes, they could potentially come forward with a proposal if they were going to waive the taxes on a particular project. That would have to be designated through the allocation plan with the council establishing exactly what fees and taxes could potentially be waived.

SENATOR NEAL:
Thank you for that. When I was looking up LIHTC and when local governments engage in development—it could be housing—typically, they do tax-exempt bonds, right? If the project is probably eligible or they are using tax-exempt bonds, then what is truly being waived? What are we reimbursing? Because if the bond that they are issuing is tax-exempt, they are not pushing that cost on to a private entity per se.

MS. HESS:
This section here would not contemplate tax-exempt bonds, and the tax-exempt bonds that we are utilizing for Low-Income Housing Tax Credit projects are part of the private activity bond volume cap that we received through the U.S. Treasury.

SENATOR NEAL:
I had that as another question. I was thinking, if the local governments already have their private activity money and they use that to then help a project go forward, you guys [the Division] will allocate a certain amount of money. If they say, "We are going to do X, Y and Z," then what is the cost that the State is subsidizing when it comes to the local government in that case?

MS. HESS:
The volume cap is not their money. We would not consider that a contribution that would be matched.

SENATOR NEAL:
So then on the eligible uses in A.B. 540, section 50.5 and section 10, just to get this on the record, [what is the] number of residents to be served? What do you have estimated?

MS. HESS:
I do not believe we referenced it here, but a large task force has worked on this for the last 12 months. These funds were always meant to be leveraged. The only funds that would not be matched were rental assistance, which in fact is now no longer part of the bill. In the original version that came out, it was $200 million. The Division, working with an economist and the task force, imagined that 16,000 households—so not just individuals; households are more than one person—could be impacted by the Attainable Housing Fund. As I look at it now, [the money has] come down. We have also removed the funding from certain sections [like the] eviction diversion and rental assistance [or the] Supportive Housing Development Fund. If I were to provide you an estimate right now, I would say it is around 5,000 from the [original] 16,000. Probably, primarily, the difference there would be the rental assistance and eviction diversion.

SENATOR NEAL:
So, eviction diversion—you are saying it’s still in the bill?

MS. HESS:
As an eligible use, eviction diversion is still a part of the fund. However, the initial allocation plan will not include eviction diversion funding because A.B. 475 has $21 million for eviction diversion in it. That was a conversation that was had on the Assembly side. Should those funds live in the Attainable Housing Fund? Same for those funds like the Supportive Housing Development Fund in A.B. 366 that was heard earlier in committee. It has $21 million for eviction diversion and rental assistance. The Division recommended to maintain it as an eligible use because the Attainable Housing Fund, in partnership with the council, can then pivot if necessary for potential eligible entities depending on our State's needs.

ASSEMBLY BILL 475 (1st Reprint): Makes appropriations to Clark County, the City of Reno and the Nevada Rural Housing Authority for eviction diversion programs. (BDR S-1094)

SENATOR NEAL:
In the second reprint [of A.B. 540] that we have right now, in section 10, [subsection 1,] paragraph (d) where it says "Programs for rental assistance [or] eviction diversion"—eviction diversion should be deleted because there's a companion piece of legislation?

MS. HESS:
It is an eligible use. They are simply not envisioned at this time when the Division prepares the initial allocation plan. It is not envisioned that there will be funding for eviction diversion, although it is an eligible use of the fund, because there are currently eligible funds in another bill.

SENATOR NEAL:
That helps because I was going to ask you what would be the cost per eviction assistance. Local governments have engaged in COVID-19 eviction assistance, and not everyone was served. There was a larger question on backlog that may already exist that you are walking into—who would be newly served and the cost? Since you guys have worked that out in A.B. 475, it is like a moot question. When we talk about you standing up this program, what do you believe will be the estimated cost to create these incentives per your potential eligible entities? There should be a cost associated with the incentive. So you have incentives that you can do for a local government, but it is not just limited to a local government. It looks like the public-private entity [partnership] may also be eligible. But if it is just the local government, when we talk about the incentives, what is the estimated cost of whatever this incentive is? It is not really clear. What is the category of incentives that we are giving to the local government through the General Fund?

MR. AICHROTH:
Going back to the local government because that is already defined as receiving an initial allocation of $25 million, we envision that as a one-to-one match. Using the City of Reno as an example, if they came to us and said, "Hey, we waived $1 million on this particular project or this particular incentive," whatever it is and it passes muster, then we would provide $1 million in subsequent funding.

SENATOR NEAL:
I noticed from the first [print] to the second [print] of A.B. 540, section 21 was deleted, which was the [Nevada State] Infrastructure Bank. Can we talk about why that was eliminated? Because, in my understanding, it was supposed to be around for additional money, but it is not there anymore.

RYAN CHERRY (Chief of Staff, Office of the Governor):
We are contemplating an amendment to the CIP [capital improvement plan] to send that money to a different fund within the [Housing] Division. It would follow the same structural guidance and guidelines underneath an SAD-SID [special assessment district-special improvement district]. As we are building the concept for that, it has been removed [from this bill]. When we move through a separate process within the CIP bill, if we get an agreement on that amendment, that has been stripped because it is being considered through another vehicle.

SENATOR NEAL:
How will the Infrastructure Bank money work in the special improvement district? So the Infrastructure Bank bonds, and then we are going to have a special improvement district that we are going to create from that bond money? How much money [is] in this mystical amendment for CIP?

MR. CHERRY:
I want to be clear that this is a conceptual process. We do not have agreement in this concept right now. As we have this conversation, it is still being finalized, but we are looking at bringing $50 million from general obligation bonds into a new account that would be established for the Attainable Housing infrastructure Fund within the Division. That fund would be supported as money is spent through the Infrastructure Bank. The only eligible projects that can apply for those funds are in special improvement districts or special assessment districts that receive revenue back from greater than 85 percent of the folks living within them; 85 percent of the assessed values have to come from the residential infrastructure that is supported within the SAD-SID.

SENATOR NEAL:
Basically, you assess fees to the district, and then they pay you back? So where is this contemplated to exist?

MR. CHERRY:
We would have to open up NRS 349, I believe, to allow for the bonds to be allocated to the infrastructure fund first. Then we would create a special account within the Division that would allow for that those funds to be allocated to it. They would follow a similar allocation plan to the Attainable Housing Fund itself, and [there] would be a process where you could apply for those funds that would be developed through regulation and underneath the allocation plan.

SENATOR NEAL:
I will give you an example, and then we can kind of work through it. So let us say it is S.B. No. 103 of the 80th Session. Reno Housing Authority then says they are in a public-private partnership to create 50 homes. They then create a special improvement district around the creation of those 50 homes. They go in, purchase the land, say there's going to be 50 homes here, and it is an SID. They are then charging fees because there are no sidewalks; it is just vacant land, so no sidewalks, no infrastructure. For the houses that are built, there's a fee that then is assessed to those properties that is paid back over 20 years. What additionally can that infrastructure money pay for out in that example? What else could it be used for? Because clearly there's some upfront cash that has to be used in order to have the return back on a SID. That's the whole point of doing it, right? It is a tool so that you get the money back.

MS. HESS:
What is important to consider is there is not one tool or one resource that makes projects happen. These are all most likely going to happen in concert with each other. There might be instances where in fact, I just need one tool, but that is rare in our space. As we consider this housing that is not getting built, it would be rare for that to happen. So yes, we would envision, in your example, that a special improvement district is set up so that it can support the ability for the local jurisdiction to bond for the infrastructure for that district. Then upon project completion and as those homes are sold, those assessments are placed on those individual homes.

I would envision, in the example—let us say that the Reno Housing Authority is an applicant for the Attainable Housing Fund. They're partnering with the lender. These are not going to be Low-Income Housing Tax Credit projects. They want to give their residents the next step, but they can't make it pencil. So they partner with the Attainable Housing Fund to receive a below-market interest rate and/or maybe to help take down the land and hold it at a low interest [rate], maybe even no interest because that is how it makes it feasible until they can build the homes.

We're just imagining this happening. So when we think about this Attainable Housing infrastructure Fund, for this SAD-SID, it can come in and help relieve some of that burden. [It can] relieve, potentially, some of the needs of the municipal bonds and come in, and the end product will be an attainable home. Whereas right now, when we see SAD-SIDs, usually, they are not attainable; they are not affordable to those area median incomes just because the costs are so high. But it is really the critical mechanism in which we are going to scale housing solutions. In our world, we scale them through 4 percent tax credits and bonds in the Attainable Housing Fund that will allow for some additional scaled solutions to come to the table. So the homeowner is going to see it in two places. They're likely going to see reduced assessments and an attainable price which is then a more affordable mortgage for the 30-year mortgage. So we have this benefit. All of those things would be spelled out in an allocation plan and worked with partners through a public process and workshop.

SENATOR NEAL:
That is good. I am glad you put that on the record and touched on the public process because in S.B. No. 103 of the 80th Session, that was one of the heavier questions that I had. If it was a housing authority—and maybe there needs to be some kind of amendment—[or] if it was a public-private partnership, it was not subject to Open Meeting Law, but it should be in this scenario that has been described. If this layered cake of housing development that we are doing, which has now SID, has General Fund money, it has infrastructure bond money potentially, that should all be public to Open Meeting Law where everybody can see the allocation plan in its layers. I think that because there are these intersecting bills, we need to make sure that all processes are under the Open Meeting Law, especially if S.B. No. 103 of the 80th Session intersects, and I believe we already voted on it—but since this is an open bill, to go back in and mess with that chapter on the Open Meeting Law and public-private partnership, that has to happen.

SENATOR DALY:
I have some understandings on SAD-SIDs and how narrow or wide that may be. Generally, those are local government issues; they're not the housing authority or the State. As I recall, in the first draft of the bill, when we were talking about

the special improvement districts, there you were trying to create exemptions and various things. Are we still, in this other avenue, trying to get around or have an exemption at least on the infrastructure part of it? I am just trying to follow that, and I have some follow-up questions on how SIDs work.

MR. CHERRY:
What is envisioned going through the Attainable Housing [Account] infrastructure trust is actually an upfront support of the infrastructure that would be built in a SAD-SID that would reduce the amount of bonding that has to be done over time. You have an initial potential reduction that is passed on to the home for that first portion of it; then they can bond against that, and it also provides them savings as they lower their escrow payments on the assessments that are used to repay that over time. That is what we are envisioning here, trying to give a way to bring down the cost of a home up front by supporting that infrastructure in the district with money from the Attainable Housing infrastructure Fund. it would not impose on the SAD-SID structure that was already in place through the counties. All it does is reduce the amount of funds that are requested to be placed into municipal bonding over time and for SAD-SIDs to provide a short-term impact on the cost of those homes and a long-term reduction through the escrow repayment process and the fees that are assessed on those homeowners [in the] SAD or SID.

SENATOR DALY:
The special SAD or SID, whichever it is, is created by local entities, and they are going to be entering into that with who? Usually they have a special assessment district—I am envisioning the ones that they've done like in downtown [Reno] where there's a group of properties that want some improvement. The city or county will say, "We will do it," and they do the work, and then they pay themselves back through the assessment. But [the assessment is] not citywide, just [for] the people within that district that are actually going to benefit.

MR. CHERRY:
That's correct.

SENATOR DALY:
In an obtainable housing-type scenario, that seems very focused. So it is just that one little piece of development that is going to get an assessment …

[Due to technical issues, a portion of this meeting's recording has been lost and is unable to be transcribed.]

MS. HESS:
… districts and special assessment districts for the reasons that they are created.

SENATOR DALY:
The normal way you do a SAD-SID, it is the local government that is going to assess this fee, and they are going to do the work. Is that the way you are envisioning that they are going to do this work? I am thinking you are thinking that it is going to be a private person doing this work and then getting a loan back, and I am not seeing how all that works.

MS. HESS:
There's no change in how SAD-SIDs are currently done. That is not contemplated or proposed.

SENATOR DALY:
So the local government is going to build that infrastructure? What are you guys considering or defining as infrastructure?

MS. HESS:
I would say they are defined for the special improvement districts and special assessment districts in those [relevant NRS] chapters; we're not looking to define them separately.

MR. CHERRY:
If we draw a boundary around an unattainable housing development that has 85 percent of the folks within paying the assessment back to the municipality, our understanding is that within those neighborhoods, the developer is the one who's responsible for the infrastructure pieces and components within the SAD. They provide the municipal bonding to pay for that project, but they do all that development. That is the infrastructure that we are contemplating in it, not anything that leads up to the outside of the community or anything outside of the SAD. This would be specific for the neighborhood itself in which they are developing the community that will include the attainable housing under NRS 271 currently and the projects that are outlined there.

SENATOR DALY:
Maybe I will have to get with some of the local government people on what it is we are talking about. We see developers come in, and they are going to put in a subdivision—they are not creating a SAD for that 90 percent of the time. They're paying impact fees to take care of that stuff and all the rest of that. So [for] the SAD-SID, and I have read through it before, they have a whole list of things that the city and local governments can do. Then they [the local governments] are going to say, “We are going to assess the other people in this area to make these improvements” or a special project, whatever it is they are going to do, and all the people that are drawn within that district are assessed, and then they do the improvement. They bid it as a public work; they do all this stuff as if it is just a financing mechanism for that.

What I am saying [is] when you guys are talking about this, you are going to have this very narrow little [area]; you are not going to try to capture the whole neighborhood or 20 other properties around that are not going to benefit from this low-income housing. So you have one little footprint, right? And the city is now going to enter in an agreement with them to have an assessment to pay for the infrastructure, and the city is still going to build that, right? They are going to build the street, the sidewalk and bring the sewer water in. What are you looking [at] as far as what you are saying the infrastructure is generally? Is it going to be the common areas? Is it going to be the parking lot for whatever this project is? A lot of times you do not see those things split out. [If] I am the developer, I am saying, “Hey, here is my project, here is my footprint. I am going to build 100 apartments,” and it is going to be, you know, some tier of housing, right? I am not splitting out the infrastructure and saying, “Oh no, that is separate. Just give me an assessment over 30 years, and you go build that part.” I have never seen that happen. So I am just wondering how you are contemplating this [compared] to [how it] actually works?

MS. HESS:
I think the exciting part is it will be part of a plan that is worked through to be implementable. So I think the Division works with partners to make sure that the program can be implemented. When you say, “What infrastructure?” For me, it is the infrastructure directly associated with that SAD-SID and that attainable housing project.

SENATOR DALY:
If you are familiar with STAR [Sales Tax Anticipated Revenue] bonds and people that have instituted that, then they sell bonds and anticipate a future revenue coming in. After the development, they sell bonds, and then they build the infrastructure. The Sparks Marina, if you are familiar with that—the city went in; they built all the roads and roundabouts; they brought in gas, sewer; and all of that created developable lots ready to go. Then private investors came in and built the rest of the building. But for that incentive, that was … [unintelligible statement] … I am seeing this as a similar type [of] situation. We have a SAD-SID that is then getting this finance that the city can get. We are going to get paid back, but we are providing this incentive, and I am curious to get the rest of the details on how that is actually going to work on a developer. I know you are saying all these layers, but what I do not want to see happen is—the original bill said well we just have to be excluded from any requirements to actually have people be able to afford to live in the housing that they might be building—that we are not going to just move it to another section and try to create the same type of a thing. The way I have seen the SADs go and be done is that either it is directly done by the agency, city, county or whoever that is creating the district, or they are partnering with that person and that creates an incentive for the rest of the project which then would trigger prevailing wage for the whole thing.

MR. CHERRY:
The intention of this entire project and having conversations with the stakeholders involved in this process is that when we access the SAD-SID model, they will be prevailing wage. That commitment has been made by Governor Lombardo. So yes, in utilizing a SAD or SID, those prevailing wage rates will be paid on this. All we are looking at is to find a way to bring down those infrastructure costs on the front end and allow those reductions in the escrow piece with this pilot program. The vision of the Attainable Housing infrastructure Fund is to bring down those immediate costs and build out some stuff so we can provide the attainable housing people [need].

SENATOR DALY:
Understood, and thank you for that piece of it. There are a couple more questions that I will follow up with some of the local governments on [for] their input on that side of it. If I can follow up on what Senator Ohrenschall was asking in A.B. 540, section 30, [subsection 1,] paragraph (b) where we are talking about a governing body shall enact an ordinance. It seems a little odd to

me that they are going to have to put in their ordinance to develop. Unless they develop a whole bunch of different ones for each project where they have to put in their ordinance incentives for the development of the projects of attainable housing in the county. It seems to me those incentives are going to vary case by case and either that, or they are going to have to do an ordinance for every single one. So I do not know if you have any comments on that or if you are going to make them do a lot of different ordinances.

MR. AICHROTH:
It actually currently exists in a lot of cases. I do not think that ordinance process will be too onerous for the local jurisdictions; actually, it may incentivize those jurisdictions that do not have these processes currently to establish those.

SENATOR DALY:
Put in incentives? If they do not have resources to offer, we are going to not charge you your hookup fees for sewers, but they can't afford that [to put the sewers in].

MR. AICHROTH:
That is correct. If I am not mistaken, there are some exceptions they can go through. But from the standpoint of what you are saying, effectively, we envision it as a match. If they do not have the funds to initially do it, that process will probably not be addressed.

SENATOR NEAL:
My question is on A.B. 540, sections 41 through 48. I believe these are the provisions where the Department of Business and Industry (B&I) gets to waive license fees, fingerprint fees, waive any costs or expenses associated with the contractor board, and waive any fees for suspension of licenses. It is all in those sections. I know this was related to the critical shortage piece. When I was reading this over about the delegated power to the B&I director to declare a shortage of workforce, my first question was why are we delegating that power to the B&I administrator? Typically, that is not a power that an administrator would have, to go out and declare there's a shortage in workforce, therefore we are going to waive all of these laws. That is either a legislative power [or] could also be a Governor power. I was not clear on why we would delegate that power. Do you know why that was even contemplated or believed [to be] good?

MR. CHERRY:
We contemplated multiple versions of this. What we were trying to do is make sure that we could do this in a manner in which the Division and B&I could work in the most efficient and effective way with the information that we had. It was initially contemplated that the Governor could make that declaration as well. But we are trying to find the way that is necessary to streamline these processes, as this is seen to be a short-term process moving forward. It is not implicated to work in perpetuity but over a short period of time in the near future.

SENATOR NEAL:
There's nothing in the bill that sunsets that power either, right? Being in this building for 14 years, you do not delegate something away. Because when you try to get it back, typically, there's now a whole new conversation. You should also see things in the terms of—when we talk about emergency powers, an administrator typically does not have emergency powers nor would they have a power where they then declare a shortage of workforce and then have the regulatory power to then waive all of these different statutes. [This is] something for you to consider for future reference on whether or not that is a power you would like to delegate away from the Governor, or you could kindly give that power right on back to the Legislature.

I also wondered, when we talk about—because there was language in here that if a person's license ceased to exist or if they got into some kind of trouble, then they [the B&I director] could also reinstate that license after it was suspended and waive the fees. There was not anything in here that allowed some additional questions on why your license was suspended in the first place. It also expands to folks that are not in this State, right? I believe it included contractors that could be in [Washington,] D.C., that came over, and we were seeking them. So we were trying to give them a pathway to help us with this declaration of the shortage. But we have had huge conversations about folks that have been debarred, and now all of a sudden because of a shortage, we are opening the door to say, "All right, I know your license was suspended, but you are good. Come in and work." Why would we do that?

MR. CHERRY:
Senator Neal, before we answer your question, I just want to draw your attention to A.B. 540, page 43, line 34. That includes the sunset limitation on

the powers of the director and the contents of sections 39 to 46 of the bill for the implementation of the reciprocity in rural areas.

SENATOR NEAL:
So 2029?

MR. CHERRY:
That's correct.

SENATOR NEAL:
So four years from now, all that power would go away? I guess if you are comfortable with delegating that power to an administrator from the Governor's purview and privilege, I guess it is up for the Legislature to think through those delegations and whether or not that is appropriate. Even if it is sunsetted for four years, it just struck me as odd.

So can we talk about the suspension pieces? I just lumped them all together because they kind of repeat for A.B. 540, sections 41 through 48. All of these sections dealt with different provisions, but it is like very similar powers just in different areas. So you are saying [if] it is just for four years, he should be able to waive fees for a suspended license and then put them to work just because it is in a rural area, not really determining why that license was suspended?

MR. CHERRY:
I have not contemplated the section in the way that you are reading this. This is something that I would like to look through and work through with you. But the intent of this section is for those counties that have the population cap below the 100,000 [where] we are bringing contractors that are licensed in other areas to the rural areas, allowing them to provide those services that may not be met by factors from more urban areas to ensure that we can try and move projects in a timely manner and address the shortfall that we have right now in rural Nevada.

SENATOR NEAL:
My final question is about the assignee language in A.B. 540, section 24. I was reading not just [the new] blue language but in totality of existing law and where we are inserting new provisions. I think it opened a door of questions for me because although the existing statute allowed for some powers to exist, I looked at it through the lens of now [the] General Fund is a part of a deal, right?

That is helpful. If the assignee fails to provide attainable housing, which is affordable housing, then what are we triggering here? Are we triggering contract rights that may be associated with the State? Because if the state money is somehow in the layered cake of money, what are the rights of the Legislature over that assignee or the State? If the State is providing money, what are our rights in this bill over these transactions?

MS. HESS:
As I look at section 24 for the example that you referenced—and you'll see this language across a couple sections—the language that the bill is inserting in A.B. 540 is, as I understand it from the work of the task force, an acknowledgement of the fact that these are state funds and makes sure that those entities doing this work were evaluating their community impacts.

SENATOR NEAL:
I went in looking at NRS 244.270, going into the statute to just break down what the powers are that we're talking about in NRS 244. There are some other capacities within that statute and where we are inserting what the commissioners have the power to do. I was just thinking through a couple of positions because it seemed like in this process when we look at existing statutory provisions in NRS 244, and we are saying that [for] a county commission, if they enter into a deal, these are already existing law, like things that they can do. And now what does that mean? Because typically we have not subsidized the local government to do housing. I always look at stuff through the lens of the power that is being shifted. What does the Legislature get to keep or maintain when their money is involved? I filter it that way. If the General Fund is involved, then what should the State have a say in? Should they have a right over that? We're now saying, well the county commission or a city will decide, and we just gave the money away. I do not like delegating power away. I also do not like stripping things away from the State, and because I am always thinking, I want oversight. I want it to come to IFC [Interim Finance Committee]. I want some kind of protections for the State. I actually do not want to subsidize local government. That's probably my main problem. I'll just stop there.

SENATOR DALY:
Unrelated to some of the other questions that I had, just a technical point—maybe you knew about it, maybe you did not. In A.B. 540, section 39, [subsection 1] says, “The Board”—meaning the Contractors' Board—"shall issue

a contractor's license by endorsement to an applicant who: (a) Submits to the Board proof of a contractual agreement to perform work on an attainable housing project in a rural area for which a contractor's license is required." Of course, then if you go to NRS 624.3015 subsection 4, it is reason for disciplinary action if you [are] "knowingly entering into a contract with a contractor while that contractor is not licensed." So they can't bring you a contract to show they are going to be doing this if they do not already have a license. The proof you are asking for is a violation of the law. Just a technicality you may not have been aware of. I do not know how you get around it.

SENATOR OHRENSCHALL:
I am looking at pages 28 and 29 of the bill. It is A.B. 540, sections 34, 35 and 36. There's language that repeats about the costs, and the first time it appears is on page 28 [in] section 34, subsection 2, paragraph (b): "The costs of housing for a household determined pursuant to paragraph (b) of subsection 1 may be offset by the cost savings to the household of energy efficiency measures." That repeats [in] the next couple of sections. I just wonder if you could explain that and [why] it's for the tier one, two and three affordable housing. I do not know if it appears for tier four or not for that new definition. I just wonder if you could explain how that works. These energy efficiency measures, are they going to be for new homes, or will they be for older homes as well? I just wonder if you could kind of explain what that is and how that would work.

MS. HESS:
I will just summarize the intent of that language and how the language comes out. It is intended is to allow for households to essentially have energy savings. They might have that be a consideration in their income. So let us say you are saving $50 a month. Now your household income would be offset by those savings. You would have an added $50 a month consideration of your income to qualify potentially for a mortgage. The intent was to capture and set people up for success and [have] it recognize those savings that they are having.

SENATOR OHRENSCHALL:
That sounds really good. I guess the question I have is, if someone then is in a house where there are energy efficiency measures, could that change in income throw them into a different tier, or is that adjustment just for mortgage qualification?

MS. HESS:
That was my question too, Senator. The intent here is certainly not to price out low-income tenants. The intent here is for those qualifying for mortgages.

CHAIR FLORES:
I will just ask some broader questions. Going back to A.B. 540, section 6, we are talking about eligible entities. I just wanted to flesh it out again on how, for example, developers—my understanding is in this space, we do not have a lot of players, right? There are some folks that are very savvy when we are talking about affordable housing, being comfortable with playing with whatever the federal government has out there. Now we are going to be putting something else on the table. What's the educational component going to look like on bringing in new players to the space now? Not to minimize who's already in the space, but what do we envision that looking like so we can attract more folk into this space?

MR. AICHROTH:
I am going to bifurcate it a little bit if that is all right. The first thing that I am going to look at is what we are now currently doing in Low-Income Housing Tax Credits because that is very, very important, and it is a component potentially of the bill. I will go back to the Home Means Nevada funds because we had 13 LIHTC projects that utilized Home Means Nevada funds as gap financing. We were probably one of the few states that actually provided that through ARPA-SLFRF. We were of the greatest scale per capita in the country. So that allowed a lot of developments to get done. They are not done yet. They're in construction relative to what has been done on a national level. So that did attract other players to this space. We've got national developers, syndicators, folks who kind of overlooked Nevada. Now that is a double-edged sword to a certain extent because they have to learn our processes, QAP [Qualified Allocation Plan] and how we do business. But it did provide avenues to bring other folks to the table.

We envision because we have not had—now coming out of the LIHTC space into the space where we want single-family homes to be developed at 80 percent, 100 percent or 120 percent of AMI to be available—a space the Division has not engaged in. We've had the conversations with the builders, we have had the conversations with the bankers. We do not know quite honestly who's going to come to the table to do this. But I believe it provides a better avenue for those participants. We may see, as was given as an example, the

Reno Housing Authority come forward to develop homes because they've contemplated this. We have had discussions, and quite honestly, it has not really developed as any of us thought it would. A lot of that has to do with the economy and rising interest rates and that kind of stuff. The ecosystem has not been great for developing that in the previous iterations, but potentially with funds coming forward to do such activities, we anticipate those type of entities coming forward along with developers who might be mission-driven, who are looking to get into this space and to serve a population that is currently being missed by those in the development space.

CHAIR FLORES:
So now we have the eligible entity, and then [when] we go into the next phase, there's a proposal that is going to be put on the table, and there are certain triggers and criteria that we need in there. Then it is submitted to the Division that now takes it in. Let us say we have five candidates, five developers or five X mixture of the people that came into the space. I think A.B. 540, sections 10 and 11 here kind of talk about how we are going to have these priorities, right? [Like] leveraging public-private funding projects on government-owned land projects in areas with high demand, etcetera. What I did not see—and I think you just said it a second ago, it is frightening because part of the DNA of the American dream is you are going to have your own home. That is something that is still very true here. I do not see any percentages saying out of this $133 million, we are going to prioritize single-family homes, or we are going to prioritize projects based on an emphasis of single-family homes versus apartments.

I get that some of these priorities here are looking at high-demand housing gaps. I do not want to minimize that. You might say, "Look, there's a huge demand there, and apartment complexes achieve that best," but I am trying to weigh that and counter it with what we are hearing from our constituents every day, which is, "We can't buy a home." I am just concerned that—and maybe you can walk me methodically through how the process went there, and you realize we can't put a threshold of a requirement that we are going to prioritize single-family homes over apartments because of this and that. Maybe you could just walk me a little bit through that process.

MR. CHERRY:
We contemplated the same thing. This is a concern from the Governor's Office as we looked at this to develop this missing middle attainable housing piece of

the project. We recognize that one of the best ways for an individual to generate their own wealth and to come up is to own this starter home. This is why we really pushed through the last year as we developed this process. The same questions came through, how do we get to the development of single-family homes and also address the needs of the differing communities throughout the State that may want to participate in this? So that allocation plan is really where that will be fleshed out and delivered in the process. If we wanted to leave it up to the Division, we could say, "All right, right now, our goal is this," but also recognize as we move forward to the future that our goals may shift. We may hit those goals in certain areas of single-family homes and then need to adjust it to prioritize other areas. So we did not want to put it into statute, but leave it up to that regulatory process in the Division to identify what is best used for the period of time and the economy that we are living in currently.

CHAIR FLORES:
Any time we suggest any new language, it is terrifying because it is Friday, and we have a Monday deadline. But I am curious to know if there's language in there, just as a guide maybe, indicating certain triggers if we are in this scenario [and] we want to maybe prioritize single-family home projects [as opposed] to multifamily. We are having that type of conversation and not minimizing multifamily but just maybe pushing because I am just really scared that we are going in this pathway to address the issue of housing. We're not going to allow humans to own properties anymore if we continue kind of down that pipeline.

Moving into the section where we are going to award these funds, talk to me a little bit about the transparency on that. I know that there are certain requirements, a grantee is required to submit certain data, and as the project is moving along, there are some requirements to the Division, but where is the transparency to us? I do not believe there's anything in here that says when any of that $133 million has been allocated in any one direction—I suppose that the Division can do that and put something like a forward-facing type of portal. But I am just curious, is that part of that? Is that something that is being contemplated that was already discussed? Does the Division already have an arm that does that?

MS. HESS:
I think currently with the Division and across various programs, you see it in a few different fashions. You see it with the [State] Board of Finance, right? If

you tune into a Board of Finance meeting, if you go on the website for the Board of Finance, now you'll see our memo that outlines the underwriting we do for all the applications. It'll talk about who the investors are, who the lenders are, what the sources and uses of funds are. [It’s] high level but typically enough to give you the information that you are wanting. In the case of the Attainable Housing Fund, what you'll see is the reporting of the Division to the IFC. That was actually just an oversight in the original version of the bill. But I think that language there with the oversight for the IFC is critical. To your point, for-sale homes were really the impetus of this initiative. You can't see it here because you did not see the first iteration, but where you will see it in the initial allocation plan will be the focus of funds toward that for-sale home bucket. I think the funding in and of itself and the amount of funding that is going toward that will show you that prioritization.

CHAIR FLORES:
Then if we continue in the process, now we have the project, its grantee is starting to send information back, and we're moving back and forth between IFC. Talk to me about a conflict. So IFC identifies an issue; can you walk me through how we see that playing out? Money's been given out already; [then] IFC identifies the issue. How would that scenario play out?

MS. HESS:
We are innovative and solutions-oriented at the Division, but we are also very mindful of compliance and our funding source’s eligible uses. Everything is reimbursement-based. Projects, when they come to us for funding, are seeking reimbursement, and we go through with a fine-tooth comb on the compliance and fiscal sides before we are making payment. Of course, that does not mean that a $70 million project there can't be [have] an oversight. Again, the layers of compliance and oversight are already happening internally. Should the IFC discover a mistake, the Division would just handle that as it would normally. So if it is a compliance challenge, whether there was a tenant that was not qualified, those are things that we are also reviewing on a regular basis with our compliance team and deputy of compliance. But should there be a funding challenge, our agreements serve as the protection for the State. In our agreements, the recipients are on the hook if it is not an eligible use, if that is of some comfort to you in how the Division handles its funding.

CHAIR FLORES:
I do not have the privilege of sitting in IFC. So I imagine my colleagues probably have a better understanding. This is more for my personal understanding. I guess I want to hit the broad bucket at the end of this. Now, the money's been allocated, [and] we now have, hopefully, 100 single-family homes. What is the education mechanism there for the family, the single mom, the parent that is struggling? How do they know that this project is now there [or] how it works? What is the benefit that that particular attainable housing project proposes to them? Is it in different languages? I am just curious to know how the people on the other side who are going to benefit from it—how do they find out about it?

MR. AICHROTH:
Selfishly, we envisioned potential homeowners using our Nevada Rural [Housing] homeownership programs. They have a homeowner or homebuyer education component to them so that the potential resident will learn about the responsibilities of homeownership, how it differs from rental housing, all of that sort of stuff. We also work with lenders in that program who ensure that their credit-to-debt ratios are correct, help them clean up credit and get to that point. The private sector would do that also if they just went through private lending issuances. I think you brought up an interesting point [that] had to do more with marketing, and we certainly market our program, Nevada Rural markets their program, and there are other entities that provide down payment assistance. There are bills being contemplated about interest rate buydowns, and potentially, that is a component of all this too. We really have not talked that much about that in this particular bill.

So it is an interesting question because we would probably—and I am thinking out loud, but that could be a component of how we do the allocation plan for developers. A question to say, how are you going to market this to the community?

CHAIR FLORES:
I know it is something that maybe the council could propose, and I understand that they are going to be there as well, but I think it would just give us a lot more comfort when we are going into the space where we are capturing the humans that we are trying to help with the type of project Nevada deserves. We are all collaboratively kind of setting the geofence that we are trying to do here.

How do you see the relationship with the council working alongside of the Division? Ultimately, they have no power, right? They are just kind of there, and I do not want to minimize them. I do want to see what that relationship looks like. How do you envision that relationship? Are they meeting? How often are those meetings? Are you reporting data constantly?

MR. AICHROTH:
Obviously, they'd be probably heavily involved in the formation of an approval of the initial allocation plan, which we would envision being revised on an annual basis. So probably quite a bit of work up front. I envision that we would provide them a with template we think is potentially going to work, not unlike what you see here where we would get input from them, and then it has to go through a public hearing process that is specified in here—public notification and things of that ilk. Once that is established, [there would] probably be a degree of less frequency of meeting. We would meet at least 12 months or 9 months hence to develop the next year's allocation plan to say this is working or this is not working, or to get input from IFC. I think if we heard or saw things that were not working, we would probably have an interim meeting of that particular council to say, “Hey, can we address this and potentially do a revision? We do not have to revise the whole thing but potentially just amend a certain component of that allocation plan.” That's why not having this in regulation gives us the ability to pivot very quickly.

MS. HESS:
The frequency is not contemplated in legislation which does give the Attainable [Housing] Council, which will include private sector individuals as well, the ability to help direct the Division in terms of their desires for frequency. But it does require that they will review and comment on the Annual Housing Progress Report that captures what local governments are doing in their community [and] shows [what] they choose from a cafeteria list of items on how they are advancing affordable housing. Additionally, [with] the reporting requirement of A.B. No. 213 of the 82nd Session, that is another report that they will be reviewing and providing comments on an annual basis. Additionally, the Division is working hard and communicating our results. Whether it is through charts, tables [or] data, accepting the questions and making sure we respond with the data that you are looking for are certainly priorities there.

SENATOR ELLISON:
It is a moving document that you are going to prepare because this is something you are just getting into? I can tell you there was a guy that did the same thing you are doing right now, built about 250 homes. They were all low-income. They did not have to have a deposit to get into. The ad valorem taxes went on to the payments, and the payments were low. These people [are] still living in these houses. When he got done building all them, he moved to Vegas to start building them houses, and he did really well. People loved them; they could afford them. There were only probably 2,400 or 2,500 square feet, but they had the option to have a finished basement, and instead of a carport, you could turn it into a garage if you wanted to.

This document here is one of the best things we could do right now for everybody because I tell you what, if we do not get people in some of these houses, it is going to get worse. Right now, we have got a chance to do something good. I am hearing all these questions, but I see this happening all over the State, that these contractors are doing the development. But the thing of it is, Nevada is opening the door for this. I do not care if you are Republican or Democrat or independent or what, Nevada is opening the door to let this thing happen, and we can't let this go away. Right now, you guys got a living document in front of you, and it is going to change and grow as we go. I still think it is a great idea. I have seen the contractor do this, and I worked on some of them houses. They got them up, built the projects, and they had the city take over the streets, sidewalks and that kind of stuff. At that point in time when they turned it over and then whoever was that carried the note—was either the State or federal government, and they was the title company [that] held the deeds. It was a good deal for everybody.

SENATOR NEAL:
On page 18, lines 12 and 13, this section has the flood control facility which references NRS 244.276. Under that, it allows the county to sell or exchange land which allows them to vacate, change or adjust an alley, street, thoroughfare or an area that is near a flood control facility without compliance to NRS 244.281. So, NRS 244.281 provides a limitation, and it also provides notice provisions. This comes under the real property sold. So, are we going to be building homes where the county will be allowed to basically build near a flood control area? Then there's also the thoroughfare in the area piece of that. This is an in-the-weeds question because you had to go from one statute to a

second statute in order to really understand the context of A.B. 540, section 3 [23], subsection 4, paragraph (b).

MR. AICHROTH:
I think this is a modification of NRS from a language standpoint in moving the crossout of flood and then attainable housing is put in. To answer the broader question, obviously, we would have to abide by any local building code standards. I can't imagine anything being built in a flood zone. I do not know how you would get insurance or any of that sort of stuff.

SENATOR NEAL:
I get it, but that provision opens up that door. Under A.B. 540, section 23, it is before proving the sale or lease of property owned by the county, you then have these factors. It looked like, as used in this section, "attainable housing has the meaning," and "flood control facility has the meaning." It just said if a real property is sold or leased, and then it has the flood control piece here. It seemed to just open the door for this exchange of land because that is what the power is under NRS 244.276.

My final question is [on] A.B. 540, section 37. If you look at [page 29,] line 34, basically the beginning of NRS 278.235 is talking about the governing body of being able to include in their master plan this attainable housing language. It allows them to reduce, subsidize or reimburse for impact fees. For eligible entities, are we going to be reimbursing for impact fees because they get the chance to submit to the State? This is what it cost me to do this deal, right? Are we reimbursing? Because that is an insertion of new language. We just had a whole conversation on impact fees and new development. Is this now a reimbursement that they can put toward the State under that $25 million and say, "Give me this money back?"

MS. HESS:
I will give you my first blush, and then if we can get back to you on it. I think, ultimately, the goal would be to allow the local governments to work as it makes sense in their communities. When we are thinking about the attainable fund, for the local governments, it was a match if they are working to incentivize the developments to get done and are putting in funds as well before they come to the State to request that match. But we can get back to you on that, Senator Neal.

SENATOR NEAL:
While you are doing that, can you also—on page 17, this was A.B. 540, section 24 [*sic*]—I noticed the resyndication of attainable housing throughout. I think it was not just this section, where the developer who has obtained the additional federal Low-Income Housing Tax Credit as defined in NRS 360 or alternative financing for rehabilitation can also resyndicate affordable attainable housing. I had to look that up; [it] looks like it is the ability to bring together smaller parcels in order to make a larger project. Is that what resyndication is?

MR. AICHROTH:
Basically, what we are talking about [is]—because it is repeated in a few different places—they can provide this information to the local jurisdictions. When a project has been resyndicated, that means it is basically kicked back up its affordability period. The affordability period of a Low-Income Housing Tax Credit project is 30 years. They might syndicate it at year 20, as an example, because the place needs rehabilitation [or] needs to be freshened up. That is what we call preservation of affordable housing. So after 20 years, they are now signed up for an additional 30 years. That is what it is talking about there when they talk about what they've done regarding employees, the number of households they've established and where they've received not just new development funding but also resyndication funding, demonstrating the commitment to the community.

SENATOR NEAL:
Okay. But their ability to continually seek reimbursement is up to the amount that is allocated. It does not have a sunset. Because immediately when you said preservation, and that [development] might have a 20-year term, in my mind, I thought about like how Carey Arms [Apartments] had a 50-year term on it. Let us say they wanted to extend that another 10 years, and then it was going to cost them a certain amount to maintain it. That's not an eligible expense, even if they got help from the State, is it? To continue to maintain, refurbish or rehabilitate that property?

MR. AICHROTH:
If they came through a resyndication process, the developer potentially could because we are already doing gap financing in those spaces. [They] potentially could be eligible for additional funds through this process. But they would then have the affordability period of another 30 years.

MR. CHERRY:
As I am reading this section, I just want to go back and clarify that it looks like the references to resyndication in this piece are the information that sets forth their qualifications for qualifying for these sections. If you go up to page 21, line 16, it is "a description of any previous project" which they are doing that calls into case [question] that resyndication. It is showing that they've acted in good faith in the past and proving that they can qualify for the projects that we are putting forth from the State at this point.

SENATOR NEAL
I had to ask because it is in multiple sections. It was a word that I had not understood and was really trying to figure out what it meant.

CHAIR FLORES:
Looking at page 29, A.B. 540, section 37, that reimbursement language you placed there—was that there from the original draft of the bill, or was that added at a later time?

MS. HESS:
It was in the original draft.

CHAIR FLORES:
We had a bill passed through this committee that specifically dealt with impact fees. Suppose a local government has been waiving impact fees for years, and they owe X amount of money that they've waived. Would they be eligible to apply and say, "We have waived impact fees; here are the projects. [They] fall under the definition of attainable housing under what we were trying to do. Could we be reimbursed for that?" So, it is not a forward-facing project. It is a project that has already been allocated. Would they be able to go back in time and say, "We have done it, it meets all the criteria," and be considered?

MR. AICHROTH:
I am going to go to the very end part where it talks about when the bill is effective. I think that would be the start date for this. If it is effective on passage and approval, [it would be] forward-facing. That is the way I envision it, and that could actually be spelled out in the allocation plan also.

MS. CHLARSON:
Unless legislation specifically says otherwise, legislation has a prospective effect, not a retroactive effect. Generally, if the Legislature wanted some provision or some bill to apply retroactively, we would put that in the bill itself. I would also point out that the provisions of A.B. 540, section 37, that amend NRS 278.235 relate to the governing body of a city or a county adopting certain measures. They are required under existing law to adopt at least six measures. Those measures are listed in NRS 278.235. There is authority for them to already have adopted a measure to reduce or subsidize impact fees; that would be the local government subsidizing or reducing impact fees. This provision in section 37 does also allow the cities or counties to adopt as one of their measures, related to affordable housing in their master plan, to reduce, subsidize or reimburse. So that language in section 37 contemplates the local government doing the reimbursement of the impact fees, not the State.

CHAIR FLORES:
It is important that we ensure that we are talking about future projects because, ultimately, that is what we are trying to address …

SENATOR ROGICH:
[Due to technical issues, a portion of this meeting's recording has been lost and is unable to be transcribed.]

MS. HESS:
… the time frame in terms of applying, getting awarded, getting the financing in place, construction and the homeowner moves in type of conversation.

SENATOR ROGICH:
When are you going to finish these projects? Very simple. When will they be built?

MS. HESS:
Not soon enough.

MR. AICHROTH:
I can answer it from the standpoint of what we currently do in our multifamily construction. Taking a look at multifamily construction, a lot of work gets done previous to them even coming before the Division. Once they submit an application to the Division and it gets approved at Board of Finance, it is about

an 18-month to 36-month window until those projects are now open and available for residency. [For] single-family home construction where we are not necessarily dealing with some of the overlays that you see in the tax credit program, we anticipate seeing that done quicker. What we have been told by the builders is, basically, once they start moving dirt, they are having folks move in in a one- to two-year time frame. Going back to some of the funding that we are talking about, potentially as construction loans and buying down construction loans, we can reduce the cost to the developer, and then that gets passed on to the consumer. That's what we expect to revolve in about a 24- to 36-month time period.

SENATOR OHRENSCHALL:
Assuming this bill passes in this form or in another form, what percentage of these projects do you think will lead to folks who own their own homes versus folks who do not? I just wonder if you could elaborate on that.

MS. HESS:
If I lean into the allocation plan and if we take a look at A.B. 540, section 50.5—the construction and development [fund] of $83 million—that conversation is focused on homeownership. Certainly, [there is] a carveout for Low-Income Housing Tax Credit projects as well as they have gap financing needs. But the conversations of the committee were around homeownership, so that will be prioritized. You'll see in that fashion. The other important note is Attainable Housing Council—$25 million of that is for homeownership, right? As we look at it, I would say between 750 to 1,500 new homeowners, not just individual maybe, but households getting into homes. It really depends on how that program looks. As we have contemplated, it is interest rate buydowns, down payment assistance or however that looks. There are really a couple moving targets to focus on that homeownership component. It is the impetus for this Attainability Act, so the prioritization of the initiative will be there.

ERIC CARDONA (Henderson Chamber of Commerce):
The Henderson Chamber of Commerce and our over 2,000 members express our strong support for A.B. 540, which seeks to address the critical need for attainable housing in Nevada. As our State continues to experience rapid growth and increasing housing costs, it is imperative that we implement policies that ensure all Nevadans, particularly the working-class families, have access to safe and affordable housing options. This legislation takes a significant step in that direction by establishing the Nevada Attainable Housing Account and providing

much needed funding for housing development and assistance programs. I hope you support the bill.

DAVID BEHAR (Executive Officer, State Contractors' Board):
I am also here today to offer my support of A.B. 540. This legislation moves to implement licensure by endorsement and, in some instances, even provisional licensing with respect to a very important issue, particularly in our rural housing areas. Our board looks forward to working with members of the administration and others in support of this measure.

NIC CICCONE (City of Reno):
In January and in the prior session, the City of Reno ordered me to prioritize affordable housing. We worked on Senate Bill 51 which has a similar provision that would have replenished the cost of local governments waiving those fees. So you can imagine my surprise and elation to see that in the Governor's housing bill. We are in full support of this. I did want to go on the record to say that we have never waived an impact fee. We've been waiving sewer connection fees and building permit fees. We have waived $12 million, helping finance about 2,100 units, and about 800 of those have already been built. We urge you to support the bill.

SENATE BILL 51: Provides for reimbursement of cities and counties for reductions or subsidies of certain fees for affordable housing projects. (BDR 25-438)

TAYLOR AVERY (Vegas Chamber):
The Vegas Chamber supports A.B. 540 because factors including the lack of access to federal land for development, inflation, cost of materials, regulatory processes and financing have added to the challenges preventing the building of enough housing units. It is the Vegas Chamber's belief that this bill will help address those challenges. Nevada has not been able to keep up with the construction of new housing, especially in areas experiencing high growth. We urge the committee's support.

WENDY COLBORNE (Chief of Staff, Building and Construction Trades Council of Northern Nevada):
We were previously in opposition to this bill, but we have worked extensively with the stakeholders, and we are comfortable with it as it is now currently amended. We are proud to support the bill.

GREG ESPOSITO (Nevada State Pipe Trades):
You know when a person—whether it be a young person out of high school or a person out of the military—joins a trade, the promise of homeownership is one of the benefits. Recently, that promise of homeownership has gotten out of reach, even for people who graduate as journeymen [and] are making a very good living wage. Market conditions have really affected our ability to pursue that dream. This bill goes a long way toward creating a market where people who are earning a wage but [are] not quite able to purchase a home in today's market can get there. I hope that you support the bill.

MR. PAGE:
The Nevada Housing Coalition expresses support for A.B. 540. Nevada ranks second in the nation for cost-bearing renters and fifth for cost-bearing homeowners. Assembly Bill 540 offers a rare opportunity to create targeted solutions for this overlooked segment of our housing market. Assembly Bill 540 strengthens Nevada's housing infrastructure and helps build a healthier, more inclusive housing market that serves all Nevadans, from those experiencing homelessness to the minimum income families who make our communities thrive.

KELLY MCNEIL (Executive Director, Nevada League of Cities & Municipalities):
Assembly Bill 540 expedites housing development by streamlining regulations and supporting both urban and rural communities. This bill ensures that working families and individuals have access to affordable housing. It is a critical step forward, strengthening Nevada's housing infrastructure and economic stability. For these reasons, we support A.B. 540.

HARRISON BOHN (Ovation Development; Manufactured Home Community Owners Association):
[We are] in support of A.B. 540. Assembly Bill 540 provides a multipronged approach to address our State's housing crisis. The $133 million allocation will encourage housing development and amplify returns through this State. This bill represents a bipartisan, forward-thinking approach to housing in the State. Nevada is in desperate need of more attainable housing options to support our workforce populations such as teachers, government workers, nurses, [and] hospitality workers among many others. By expanding affordable housing tiers and allocating funds, A.B. 540 will ensure housing projects [for] support of these developments to make sure that they can pencil and developers can place shovels in the ground again. We believe that Nevada needs this housing

legislation and that any help to improve development throughout the State will raise the tide for all boats. We urge your encouragement and support.

KANANI ESPINOZA (Nevada HAND):
Nevada Housing and Neighborhood Development is the State's largest developer, builder and manager of affordable rental homes for low-income seniors and working families, currently serving over 8,200 residents. Our CEO and President Andre Hammer sat on the Governor's task force and appreciates the results of the working group in A.B. 540. We are in strong support of the State's commitment to helping bridge the attainable housing gap and create stable housing for Nevadans. We encourage the support of the committee.

JOHN SANDE (Nevada State Apartment Association):
I do not know that I can add a lot to what has already been presented before me. Just really proud to support this bill and really focus on the conversation around the missing middle. It is a huge component of what is missing in our communities. The efforts that you guys have gone to in this bill to address that is really valuable, and we support the bill.

MR. DRAPER:
Let me [for the Nevada Builders Alliance] offer a wholehearted ditto.

ANDY DONAHUE (Southern Nevada Laborers-Employers Cooperation and Education Trust):
I am glad to be here in support.

TONJA BROWN:
I was not even going to speak on this bill, but I want to, and I am in support of it. I just want to tell you about my lunch I had with my son-in-law today and how his son had asked him, “Daddy, when are we going to own our own home?” And his response was, “It is out of our reach; we're not going to be able to.” But possibly, through this bill, maybe they can obtain a home.

MS. ELLIOTT:
I want to go back to 1974. My first house, 6713 Alterra Avenue, Stockton, California, $26,500, 1,087 square feet, 6,000-square-foot lot. I was in college. I rented two bedrooms out to a couple of gals, and that is how I ended up learning about finance, learning about housing, installed my own sprinkler system. The idea of having your own home was something that was really

special. I was living in a 300-square-foot, one-bedroom apartment when I moved in. I think from that standpoint, this bill provides hope for Nevadans who are looking for a future in homeownership. The Reno Housing Authority wants to be part of that solution. So does the Nevada Rural Housing Authority that has the down payment assistance program. For all the young Nevadans and moms and dads that want to own their own home, this bill provides that foundation for a bright future. This is an exciting bill. We need to really prioritize homeownership for those individuals. [That] needs to be where we start.

YOANA ONTIVEROS (Nevada Realtors):
We are here in support of A.B. 540.

MS. THOMAS:
The Southern Nevada Regional Housing Authority is here today to support A.B. 540. As you all know, we are in the midst of a housing crisis. We understand that this legislative body has a number of competing priorities and challenges with the budget, but we are all committed to building a strong economy, and there's no economic model that does not have housing at its core. Not only do we need to support our workforce, we also know that seniors who live in stable housing have better health outcomes; that children who grow up in attainable housing have better educational results; that individuals struggling with behavioral health, mental illness and substance abuse are able to commit to their recovery in stable housing. We know that we have an opportunity to address the needs of people who get up and go to work every day, the so-called missing middle who are unable to buy their first home. This bill is an important step toward building strong communities using housing as a foundation and a bedrock. We urge your support.

LEWIS JORDAN (Executive Director, Southern Nevada Regional Housing Authority):
First of all, I want to thank the Chair and the committee for the time given today. We at the Southern Nevada Regional Housing Authority have an opportunity to serve a number of constituents. This bill will allow us to also serve those constituents that do not fit into the income tier that HUD allows us, up to 60 percent, sometimes 80 percent AMI. There's a number of people that knock on our doors every day asking about affordable housing that we just cannot support. We urge the passing of this bill to give us an opportunity to continue to help Nevadans build communities and find safe, affordable and vibrant places to live.

CHAIR FLORES:
So with that, we will go ahead and close out the hearing on A.B. 540 and open a work session on some of the bills that I know we did not have questions about. The first bill I would like for us to consider for a do pass is A.B. 224, which provides for the issuance of bonds to assist in school districts and financing capital improvements.

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 224.

SENATOR DALY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FLORES:
Next for consideration, I would like to consider a do pass for A.B. 356, which revises provisions relating to collective bargaining agreements.

SENATOR DALY MOVED TO DO PASS A.B. 356.

SENATOR OHRENSCHALL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FLORES:
Next, I would like for the members to consider A.B. 366, which revises provisions relating to housing.

SENATOR DALY MOVED TO DO PASS A.B. 366.

SENATOR OHRENSCHALL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FLORES:
I would like for us to consider A.B. 442, which revises provisions relating to grants.

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 442.

SENATOR DALY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FLORES:
I would like for us to consider A.B. 539, which we also heard today, which authorizes the Department of Employment, Training and Rehabilitation to establish a career coaching program for certain pupils in certain circumstances.

SENATOR OHRENSCHALL MOVED TO DO PASS A.B. 539.

SENATOR DALY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FLORES:
With that, I open public comment. Seeing none, the Senate Committee on Government Affairs adjourns at 4:08 p.m.

RESPECTFULLY SUBMITTED:

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Spencer Jones,
Committee Secretary

APPROVED BY:

____
Senator Edgar Flores, Chair

DATE:______________________________

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Introduced on Minute Report Page No.**	**Witness / Entity**	**Description**
	A	1		Agenda
	B	1		Attendance Roster
A.B. 366	C	22	Brooke Page	Presentation (copyrighted)
A.B. 462	D	41	Senator Edgar Flores	Four Letters of Support