

# Affordable Housing Financing Landscape: Washoe County

(Primarily for development serving households at or below 60% of Area Median Income)



## Low-Income Housing Tax Credits (LIHTC)

The federal government issues tax credits to state. State housing agencies then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding.

4% LIHTC	9% LIHTC	State LIHTC
Subsidizes 30% of project	Subsidizes 70% of project	Can subsidize 30% or 70%
Non-Competitive Allocation	Competitive Allocation & Limited Amount	Competitive Allocation & Limited Amount

## Tax-Exempt Private Activity Bonds (PABs)

On an annual basis, the federal government issues a specified volume of tax-exempt private activity bonds to states, in turn, some of volume is allocated to local jurisdictions based on population.

While private activity bonds can be used for many different purposes, they are especially valuable when used to support the development or rehabilitation of qualifying multifamily affordable rental housing, as this triggers the automatic award of 4% Low-Income Housing Tax Credits (LIHTC)

**2021 Allocations**  
State: \$345 Million

\$6.2 Million	\$5.7 Million	\$14.2 Million
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## Grants\*

**HOME**  
HUD grants to states & local jurisdictions to support affordable housing for low-income communities

\$3M 2021	\$1.4M 2021
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**State AHTF**  
Funding is supported with a real property transfer tax of ten cents for each \$500 of value

\$655K 2022

**National AHTF**  
Funded by an assessment on mortgages purchased by Fannie Mae & Freddie Mac

\$3.1M 2020     \$6.8M 2021

Competitive Allocation to projects

**Washoe County AHTF**  
No designated funding source as of Dec 2021.  
  
No allocation plan established as of Dec 2021

## ARPA

The American Rescue Plan Act offer states and local jurisdictions a significant and unique opportunity to address the severe shortage of affordable housing for low-income communities by funding new construction and preserving existing affordable housing.

\$2,738,837,228	\$16,230,272
\$91,587,038	\$51,519,997

## Land

Land is a major upfront expense and barrier to affordable housing development.

*No local jurisdiction currently has policy or programs in place to assist affordable housing developers in identifying or purchasing land. Truckee Meadows Public Lands Management Act is also a significant opportunity.*



## Policy Incentives

Local jurisdictions can also lower cost and barriers to development for affordable housing developers through policy.

Examples include impact fee waivers, parking requirement reductions, etc.

No existing policies	No existing policies	Impact fee waivers No other existing policies
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\* CDBG grants from HUD can fund:

- Rental Rehab
- Homeowner rehab
- **New housing construction only if built by a Community Based Development Organization (CBDO)**

- Reno (2021): \$2.1 Million
- Sparks (2021): \$700,000

\* Additional HOME funds were allocated through ARPA in 2021

- Reno: \$5 Million
- Nevada: \$6.4 Million