



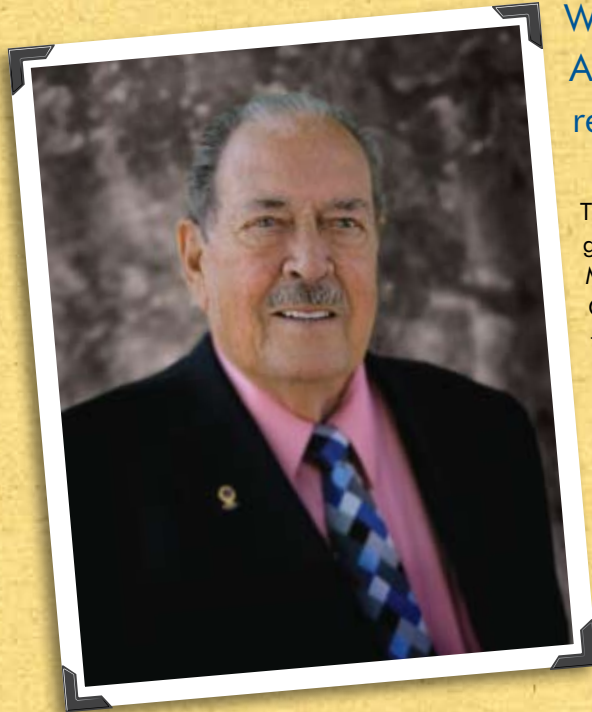
HAND IN HAND

WORKING TOGETHER TO MEET NEVADA'S HOUSING NEEDS

2010 ANNUAL REPORT



CHAIRMAN'S MESSAGE



While we are focusing on partnerships in this Annual Report, the truth is, NRHA has always relied on collaboration to fulfill its mission.

The Nevada Rural Housing Authority was created in 1973 because local governments wanted a regional housing authority. Pershing, Eureka and Mineral Counties, along with Lovelock, Winnemucca, Wells, Fallon and Carson City were among the rural governments seeking help with affordable housing for their low-income elderly as early as 1971.

While local governments wanted it, state and federal agencies were needed to fund it. Both the US Department of Housing and Urban Development and USDA-Rural Development provided early NRHA funding. The State of Nevada Highway Department even got involved donating the site where the present day Southgate Apartment complex is located.

From its inception, NRHA has modeled the effectiveness of public/private partnerships. As far back as 1972, the Builders Association of Northern Nevada supported the creation of the organization and today we work alongside private lenders, contractors, realtors, landlords and community leaders.

We have developed successful, long-term relationships with leaders like Tom Grady. Back in 1979, Grady was a local banker and councilman who got Yerington's first senior housing complex built. Shortly after Yerington Manor opened, Grady asked NRHA to manage it and in 2004 encouraged us to assume ownership. In 2010 we worked with Grady, now a State Assemblyman, and other key Lyon County partners to complete a "green" renovation of the property.

While NRHA has been addressing Nevada's housing needs for decades, there has been a transformation during the past five years. The work we're doing today is only possible because of our organization's development and expansion of services that now include real estate, rental assistance, weatherization, tenant support, first-time homebuyer and property rehabilitation.

Economic recovery will require the best and the brightest from business, government and non-governmental organizations to join forces and leverage their respective resources in pursuit of win-win opportunities. The stakes are just too high to go it alone. With the support of our partners, our work has reached a new level making an even greater impact on the communities we serve. And that makes me very proud.

A handwritten signature in black ink that reads "Thomas J. Cook". The signature is fluid and cursive.

Thomas J. Cook
Chairman of the Board
Nevada Rural Housing Authority



NRHA Board circa 1977: Anne Dwyer, George Windour, Larry Goone, Lyle Mattice, Nelda Noble.

EXECUTIVE DIRECTOR'S MESSAGE

"The sum is greater than its parts."

While I did not invent the saying, I cannot think of a more apt way to define how the Nevada Rural Housing Authority approaches its mission.

We are a small organization with limited funding. One of the best ways we can enhance the quality of life in Nevada's rural communities is to develop meaningful and fruitful partnerships. We must create our own "sum."

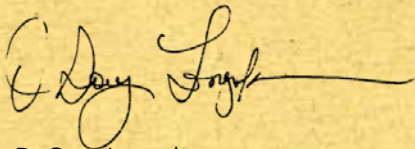
NRHA is more than a housing authority. We're a community-building, job-creating, sustainable development organization. NRHA takes enormous pride in our ability to deliver practical results for our partners by both addressing their current housing requirements and helping them plan for their future needs.

Our partners are necessarily diverse, from the cities and counties to private sector contractors, consultants, lenders, realtors and landlords. These relationships bring talent, ideas, funding and resources to the important work that NRHA does. These partnerships help get more rural Nevadans into affordable homes.

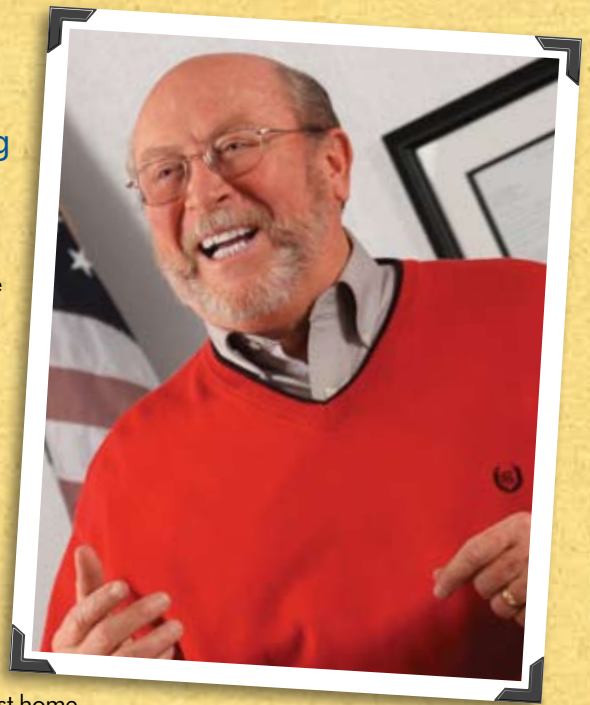
So what did we get done in 2010 with the help of our partners? We secured \$50 million to support home financing. We helped hundreds of Nevada families buy their first home. We provided 1700 families with monthly rental assistance. We made 375 homes more energy efficient. We took community eyesores and turned them into community resources. We helped ensure dignity and comfort for hundreds of senior citizens.

NRHA's pioneering approach to developing programs has resulted in exciting new opportunities in communities around the state. Our public-private partnerships enhance the capabilities and potential of each partner opening the door to previously unattainable goals. Our expanding menu of services enables us to develop comprehensive, customized solutions to meet each partner's individual needs.

Our greatest satisfaction at NRHA comes from our success in stimulating economic growth, strengthening communities, and improving the livelihoods of people. So, if you currently partner with NRHA in any of our many programs, I thank you for your commitment to the people of rural Nevada. If you are not a current NRHA partner, it's time for us to talk. Call me at 775-887-1086. We feel that we're just getting started and there's no limit to what we can do to help Nevadans live better.



D. Gary Longaker
Executive Director
Nevada Rural Housing Authority



BUILDING THE FUTURE WE DESERVE. TOGETHER.



NRHA Executive Director Gary Longaker relies on the counsel of Jeff Fontaine of Nevada Association of Counties and David Fraser of Nevada League of Cities & Municipalities.

During good times and bad, boom and bust, Nevada Rural Housing Authority has remained committed to improving life in rural Nevada. With 23 dedicated employees, we work to develop programs that provide housing in all of Nevada’s 17 counties across the 110,567 square miles that make up our state. Clearly, this is not something we can do alone.

Our partnerships are born of a shared vision. Our partners are local, regional and national, governmental and private sector, large and small. They include funding resources like the U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, Western Nevada HOME Consortium, and Nevada Housing Division; development resources like Desert Winds Development Group and Northern Nevada Development Authority; and oversight support like the Nevada Association of Counties and Nevada League of Cities and Municipalities.

In 2010 our partners helped us achieve something significant—financial strength. In a year noted as being one of the toughest for Nevada since the Great Depression, NRHA managed to increase revenues, keep expenses flat and end the year with a surplus.

Fiscal Year	Operating Revenues	Operating Expenses	Non-Operating Items	Surplus (Deficit)	Total Net Assets
2010	\$14,610,319	\$14,248,145	\$153,149	\$673,761	\$12,655,717
2009	\$13,394,164	\$14,241,886	\$118,728	\$(728,994)	\$12,018,956
2008	\$13,587,825	\$13,133,675	\$3,316,008	\$3,770,158	\$12,747,950
2007	\$13,317,929	\$11,358,710	\$(102,021)	\$1,857,198	\$8,977,792
2006	\$13,306,642	\$12,851,217	\$2,957,310	\$3,412,735	\$7,120,594

HOME AT LAST™

HOME AT LAST™ WORKS WITH CITY AND COUNTY GOVERNMENTS TO CREATE OPPORTUNITY.

In 2006, NRHA spearheaded a transfer matching funds program enabling rural cities and counties to pool their otherwise small resources and see big economic gains. Through these Private Activity Bond Cap (PABCs) transfers, NRHA has been able to issue bonds funding Home at Last™ programs. Home at Last™ offers competitive mortgage rates, down payment assistance and tax incentives for first-time homebuyers and Veterans in our rural communities.

In six years, over \$300 million in Private Activity Bond Cap allocation has been transferred to NRHA. That money is being invested directly back into rural communities through NRHA's Home at Last™ program. 15 of Nevada's 17 counties, communities that previously had no effective way to use their PABCs, now boast new homeowners. Our rural counties are now enjoying increased tax revenues and a more stable population.

NEVADA RURAL HOUSING AUTHORITY PABC TRANSFER HISTORY

Year	Local Rural Governments	State Match	Total
2005	\$ -	\$16,000,000	\$16,000,000
2006	\$38,705,820	\$38,705,820	\$77,411,640
2007	\$19,828,333	\$ -	\$19,828,333
2008	\$28,152,795	\$37,423,330	\$65,576,125
2009	\$29,136,570	\$50,000,000	\$79,136,570
2010	\$21,425,898	\$28,574,102	\$50,000,000
Totals	\$137,249,416	\$170,703,252	\$307,952,668

TOGETHER, LENDERS, REALTORS AND NRHA MAKE "HOME" A REALITY.

When NRHA launched Home at Last™ in 2006, we knew a team effort was required to make it a success. While we could offer both an incredible rate and generous down payment assistance, we needed those who were already in contact with our potential customers to help get the word out about our programs. We needed local realtors and lenders on our team.

Since the inception of Home at Last™, we have educated over 1,000 lenders and realtors through online and in-person seminars. We have developed a Home at Last™ Certified Realtor program and have graduated



CJ Manthe, NRHA COO and Scott Storage of Guild Mortgage team up to help first time buyers get into homes of their own.

250 real estate professionals. Our current roster of approved lenders includes 24 approved to administer the Mortgage Credit Certificate program and 13 approved to administer the Bond program.

Recognizing the essential role these partners play in the success of Home at Last™, in 2010 we launched a Most Valuable Partner program honoring the outstanding contributions of our key partners. Greater Nevada Mortgage Services, HomeGate Realty and Charles Schwab Bank were all recognized as NRHA MVPs.

OUR CUSTOMERS ULTIMATELY DETERMINE OUR SUCCESS.

While we champion home ownership, we know it is not for everyone. Nevada Rural Housing Authority only promotes responsible homeownership. Our clients must meet standard FHA lending requirements and complete NRHA's homebuyer education before purchasing a home through our program. These steps help ensure that our first-time buyers are financially and emotionally prepared for the responsibilities associated with being a homeowner.

Our approach is working. To date, Home at Last™ has helped nearly 800 families buy their first home, 300 of those in the past two years. The average Home at Last™ head of family is in their mid-thirties, earns around \$50,000 and has a loan size of around \$150,000. We've given these households \$4 million in down payment assistance and helped them save \$2,500,000 in federal taxes keeping those dollars in the local communities where they live.

HOME AT LAST™ PROGRAM SUCCESSES

778 families became homeowners

\$135,000,000 in mortgages issued

\$4,000,000 in down payment assistance grants

\$2,500,000 in federal tax savings



Using the Home at Last™ Mortgage Credit Certificate Program, David and Kristi Lockett bought their first home in 2010. In 10 years, they will have saved over \$19,000 in federal taxes.

HOUSING CHOICE VOUCHER PROGRAM

PARTNERS IN HIGH PLACES—HOUSING CHOICE VOUCHER PROGRAM WORKS CLOSELY WITH HUD.

With 1700 families receiving services each month, and a geographic service area of 110,000 square miles, NRHA's Housing Choice Voucher Program (HCVP) is the little engine that could. It takes partners at all levels—national, regional, state and local—to help HCVP succeed. And succeed they have. **For the fifth year, NRHA's HCVP has achieved High Performer status with the U.S. Department of Housing and Urban Development (HUD).** The honor recognizes NRHA's effective management of its Rental Assistance Program.

NRHA received an overall score of 96 percent scoring particularly high in the areas of providing reasonable rent, correct tenant rent calculations and rental inspections. NRHA was also invited to present at the 2011 HCV Utilization Conference in San Francisco to share our best practices.

COMMUNITY PARTNERS PROVIDE GROUND-LEVEL SUPPORT.

NRHA has essential relationships with many regional and state agencies that make the Housing Choice Voucher Program possible. Nevada Housing Division (NHD) helps NRHA serve a vulnerable population by granting HOME/Trust funds that provide temporary rental assistance for the elderly and disabled while they wait for a voucher to become available through the Housing Choice Voucher Program. NHD has also helped fund our security deposit loan program helping low-income households secure an apartment.

NRHA partners with Reno Housing Authority (RHA), as well. NRHA provides inspection services for Reno Housing Authority-owned properties and collaborates with RHA on HUD's Neighborhood Stabilization Program. The program purchases foreclosed and abandoned homes, revitalizes them and helps improve neighborhoods.

Landlords are key to the success of HCVP. NRHA works with landlords, agents and property managers of HCVP properties to ensure that the program runs smoothly and efficiently and all federal requirements are met.



Rental Assistance Director Terry Smith works with Debbie Parra of Nevada Housing Division to find funds for urgent rental assistance needs.

WORKING WITH OUR CLIENTS TO IMPROVE THEIR LIVING CONDITIONS.

"Polite", "caring", "professional", "extremely helpful", "friendly", "understanding" and "absolutely remarkable". These are some of the words used by Housing Choice Voucher Program clients to describe the HCVP staff. With lives that are often full of stress and hardship, HCVP clients found little fault with NRHA giving us an overall 8.4 out of 10 satisfaction rating.

In 2005, NRHA implemented a program to support families transitioning from renting a home to home ownership. In 2010, four families purchased homes of their own through this Housing Choice Voucher Homeownership Program that provides subsidized mortgage payments for low income Nevadans. We're very proud of these successes.

"Thank you for helping me in my worst of times. Thank you, I appreciate your program."

— Jodi Chitwood, HCVP client

WEATHERIZATION

THE WEATHERIZATION TEAM EXCELLED IN 2010.

We measure the success of our Weatherization Assistance Program by how many low-income households we are able to help with our limited resources. By any measure, 2010 was a banner year. NRHA's Weatherization team maximized resources, stretched budgets and managed to exceed their goal of households served by a whopping 72%.

Margaret Donnelly, Nevada Rural Housing Authority's Weatherization Manager, was presented with the 2010 "Pushing the Envelope" Award at the regional Energy OutWest Conference. Margaret was nominated by her peers and recognized for innovative and creative approaches in the field of weatherization. The NRHA Board also recognized Margaret's contributions to weatherization by awarding her a certificate for Outstanding Performance.



Margaret Donnelly pushed the envelope in 2010 delivering results for our Weatherization Assistance Program and getting recognized by her peers at the Energy OutWest conference.

IT TAKES A COMMUNITY TO ENSURE SAFE, COMFORTABLE, AFFORDABLE LIVING.

Weatherization truly requires partnership. From funding to training to identifying customers, NRHA's Weatherization Program relies on the resources of many different groups to succeed.

There are many funding partners for our Weatherization Assistance Program. Our largest source is the United States government with funds awarded at the federal level by the Department of Energy, Department of Health and Human Services and, this year, the American Recovery and Reinvestment Act. Most of these grants are awarded by the Nevada Housing Division, an agency that also oversees the Weatherization Assistance Program.

Public utilities also play an essential role in helping to weatherize area homes. In 2010, Southwest Gas awarded funds for use in Carson City, Douglas, Lyon and Storey counties and NV Energy provided grants through their Gas Furnace Repair/Replacement Program.



GETTING TO THOSE WHO NEED US.

While there are many households in our communities that could benefit from weatherization, it isn't always easy to get the information to eligible families. Here again, community partnerships are key to the success of the program. NRHA's WAP gets referrals from the Department of Health & Human Services Energy Assistance Program and NV Energy, as well as local county social service offices.

REAL ESTATE DEVELOPMENT

RURAL COMMUNITIES SEE VALUE IN NRHA PROJECTS.

Throughout Nevada, rural communities with limited resources struggle to meet the housing needs of their citizens. Often Nevada Rural Housing Authority is able to work with the individual communities to develop unique solutions that maximize available resources.

Eureka County

A Memorandum of Understanding, or MOU, is one way rural communities express their trust in the Nevada Rural Housing Authority. While not a binding contract, an MOU is an informal agreement for NRHA and the community to begin developing a project together and history has shown our rural partners stand by these handshakes.

In 2010, NRHA executed an MOU and Contract for Services Agreements with Eureka County to develop the Eureka Canyon subdivision. The subdivision will provide needed housing for mineworkers, as well as teachers, sheriffs, county workers, Bureau of Land Management employees, and others in the community who are currently underserved by housing resources. NRHA is working with the County and community groups to determine the community's specific needs and plans to have the project up and running in early 2011.

Humboldt County

In Winnemucca, NRHA's proposed construction of up to 60 units for senior housing was met with the overwhelming support of community and local officials. The local senior citizens group immediately backed the project, the City of Winnemucca donated land, Federal Home Loan Bank provided \$650,000 in funding, and Nevada Housing Division provided \$450,000 in Home Funds and also awarded NRHA additional tax credits for the project.

Like all NRHA development projects, the Winnemucca Senior Apartments are a collaborative community project. Humboldt Development Authority had a housing challenge and they approached Nevada Rural Housing Authority, recognizing our experience and expertise, to help them solve that challenge. Partnerships like these enable small communities to achieve great things that benefit their citizenry, their economic development and their quality of life.



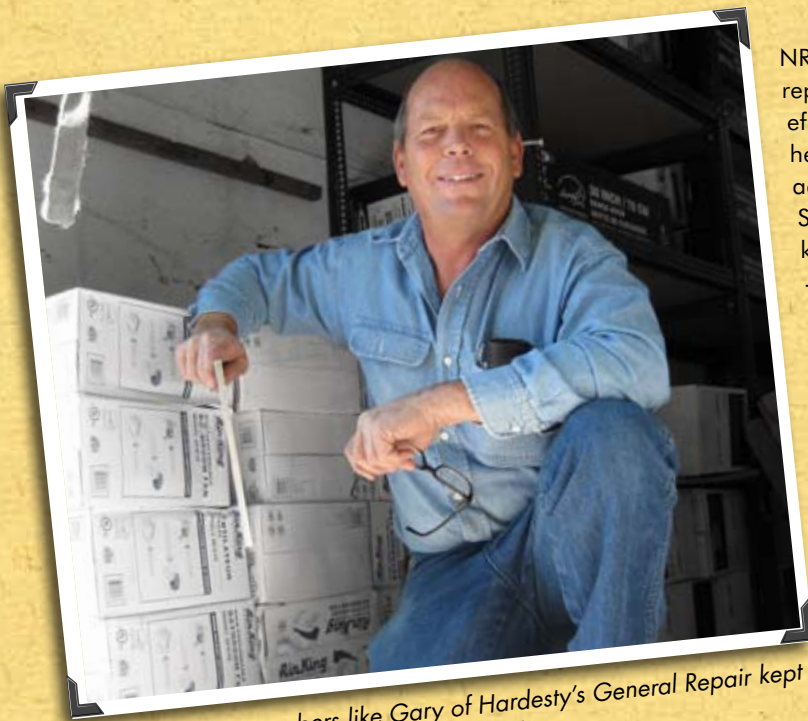
Lisa Dayton, NRHA Project Manager and David Craig, NRHA Real Estate Director, discuss development plans for Eureka county.

**The Yerington Manor Green
Retrofit injected over \$900,000
into the local economy**

Lyon County

In Yerington, NRHA completed a \$986,985 Green Retrofit to a senior apartment complex. The Yerington Manor renovation was funded through \$600,000 NRHA reserves and a HUD "green" grant, as well as grants from Bank of America and NV Energy. The project required not only this funding support, but also the active cooperation of the City of Yerington Building Department,

Weststates Property Management, the various contractors and the tenants.



Dedicated team members like Gary of Hardesty's General Repair kept the Retrofit project on schedule and on budget.

NRHA's team of local and regional contractors replaced outdated equipment with new, energy efficient furnaces, air conditioners, water heaters and light fixtures, put on a new roof, added attic insulation and installed new Energy Star rated doors and windows, as well as new kitchen and bathroom cabinets.

The project, completed at the end of 2010, will extend the life of the building, reduce energy consumption and improve indoor air quality and the residents quality of life.

WITH COMMUNITY PARTNERS, NRHA IS HELPING SENIORS AGE IN PLACE.

The Tenant Support Services Program serves as an access point for a huge variety of services seniors need, but may not know about or understand how to access. The Tenant Support Specialist does everything from sorting through a resident's

Medicare and social security information to lining up meal delivery service and in-home health care. Partnering with many different social service organizations is essential to the program's effectiveness.

In 2010, NRHA's Tenant Support Specialist helped 200 residents in our subsidized senior apartments at Southgate in Carson City and Yerington Manor in Lyon County negotiate the trials and tribulations of daily living. The resources and support that this federally-funded program makes available to residents helps them maintain their independence and continue to live in their own homes.

In a Spring 2010 satisfaction survey, 100% of respondents reported that they found the program helpful and the coordinator friendly, professional and caring. In fact, many found it essential to their well being.

"The program is about the only source in town we can utilize.

Without it we would be lost."

— Tenant satisfaction survey respondent at Southgate Apartments.



Charles Daniels, Senior Service Manager at the Carson City Senior Center, is grateful for the support NRHA Tenant Support Specialist Anna Villalobos provides his clients.

2011 AND BEYOND — CREATING A BETTER FUTURE FOR ALL NEVADANS.

WE BELIEVE IN THE VALUE OF PARTNERSHIP.

As our state embarks on its long recovery from the current recession, we will call on those partners frequently to help us provide Nevadans with valuable housing services. In fact, as we begin this new year, we are actively engaging with our key partners, asking for their involvement in the development of NRHA's 2011 strategic plan.

Our community will need to adapt to changing times in the months and years ahead and so will the Nevada Rural Housing Authority. Our goals will likely evolve and our tactics may change, however, our commitment to partnership is here to stay.



Guidance from NRHA's Board of Commissioners ensures adherence to our principles and provides valuable perspective. Tom Cook, Gwen Washburn, Roger Mancebo, Willis Swan and Chandra Henry help define priorities for housing in rural Nevada.

MISSION

Nevada Rural Housing Authority enhances the quality of life in rural communities by providing the resources for greater independence through affordable housing and related programs.

VISION

Nevada Rural Housing Authority creates hope for the future by providing a full range of housing and community development programs that help build and sustain independent communities.



3695 Desatoya Drive
Carson City, Nevada 89701

nvrural.org
(775) 887-1795

The Nevada Rural Housing Authority is a self-supporting organization that does not rely upon the State budgeting process for its operations. All operating expenses are paid from program revenues and independent funding sources. No taxpayer dollars were used to produce this document.

