



MAPPING NEVADA'S FUTURE

Nevada Rural Housing Authority
2014 ANNUAL REPORT



CHAIRMAN'S MESSAGE



WILLIS A. SWAN
NRHA Chairman

We're on the road to great things in 2015. Nevada has survived tough times, and today we find ourselves ranked as the third fastest growing state in the country. So, how do we capitalize on this growth?

We plan for it.

At Nevada Rural Housing Authority, we believe strongly in the value of planning. In fact, it is so important to the way we run our organization that we spent the past 18 months completing a rural housing study that will enable us, and many others in rural Nevada, to plan well for our future. The study is now available, and easily accessible, on our website to anyone who can benefit from its insights.

The 2014-2018 Rural Nevada Housing Study provides a comprehensive assessment of housing, infrastructure and economic development along Nevada's "Mineral Belt." With this tool, leaders in our rural communities have an incredible resource to help them plan intelligently for the future. Nevada Rural Housing Authority has an incredible resource that will aid us in our strategic planning and help us more effectively address the housing needs of communities throughout rural Nevada.

This housing study is both the map and the compass we need and makes us all better informed and more effective. Whether you work in Nevada government, development, lending, housing or social services, this housing study can make you better at your job, so I recommend you take advantage of it.

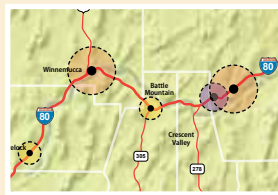
A handwritten signature in black ink that reads "Willis A. Swan".

Willis Swan
Chairman
Nevada Rural Housing Authority
Board of Commissioners

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EXECUTIVE DIRECTOR'S MESSAGE

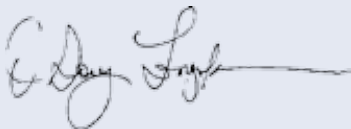
We will be better tomorrow. This is not a criticism of who we are today. To the contrary, this statement represents Nevada Rural Housing Authority's collective commitment to constant improvement. It is a charge to always look for a better way to do what we do and to find new ways to accomplish our goals. It is our rallying cry.

Whatever challenge we tackle, we aim for excellence. We push ourselves to redefine the standards and to set a new, higher bar for everyone. Because of this passion, we make a difference for many in our community, from the homeless to the homebuyer.

In 2014 the Nevada Rural Housing Authority (NRHA) team rallied with amazing results. This is the year we saw the fruits of our labor, begun years ago, with the release of the *2014-2018 Rural Nevada Housing Study*. This comprehensive resource represents a multi-year collaborative effort with contributors from both NRHA and our valuable partners.

This tool will guide us in our efforts. It will focus us. It will enable us to do our job even better tomorrow than we are doing it today. This study will help many others throughout our rural communities – in government, economic development, housing and social services – do their jobs better as well.

Our commitment to improvement led NRHA to take a look at our own internal processes in 2014 and make adjustments. Our goal was to better integrate the work of our internal teams to help our organization move forward more effectively and more cohesively. We made great progress in this effort, but I am certain we will be better tomorrow.



D. Gary Longaker
Executive Director
Nevada Rural Housing Authority



D. GARY LONGAKER
NRHA Executive Director



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In Order to Map Nevada's Future, You Need a Compass

The Housing Study
lays the foundation
for smarter
community planning
and development.

IN 2013, NEVADA RURAL HOUSING AUTHORITY (NRHA) began the process of preparing for a comprehensive housing study. Rural communities had not had an assessment of their housing needs conducted since before the most recent recession. A lot has changed since then, including the economy and housing market crashing and then beginning to rebound. In other words, no one really knew what was there and what was needed.

At NRHA, we had questions: Do Nevada's rural communities need additional housing? Single-family or multi-family? Senior housing, temporary workforce or family housing? Is infrastructure in place to support additional development? Are rental and sale prices appropriate for area salaries? How can rural communities plan smarter without over- or under-building housing inventory?

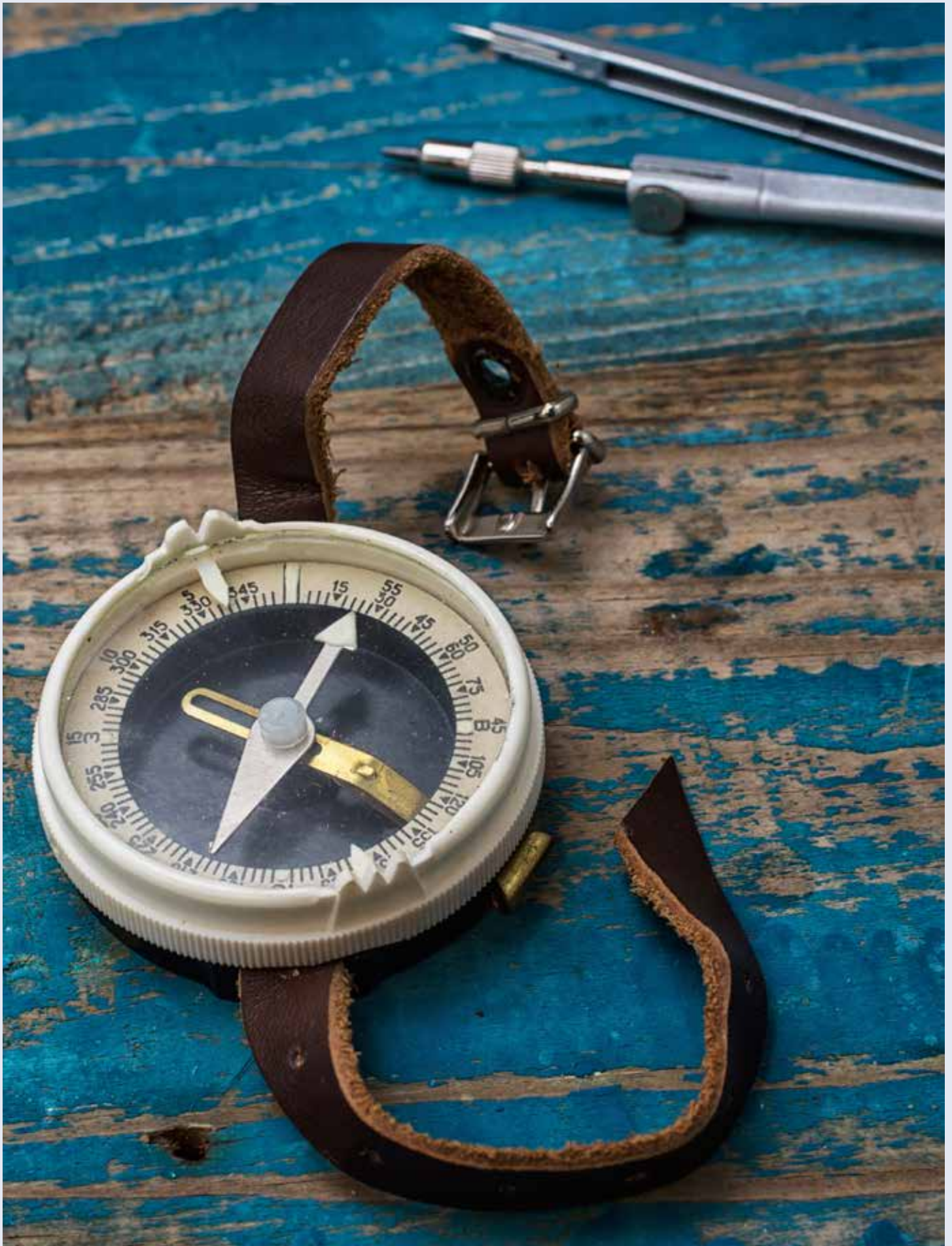
NRHA commissioned a housing study to get answers. Working with a leading national data analysis firm Vogt Santer Insights, Ltd. and the real estate consulting company of JL White & Associates, LLC, NRHA produced the *2014-2018 Rural Nevada Housing Study*. This document is laying the foundation for smarter community planning and development. It will serve as our state's compass, leading rural communities into a prosperous future.



Executive Director Gary Longaker, Director of Real Estate Operations Eddie Hult and consultant Jack White led the charge on getting the housing study done.

While NRHA led the charge on this housing study, its value to our entire state is underscored by the number of financial underwriters who contributed to its development, including: NRHA, Harley Davidson Financial, Desert Winds Development Group, Wells Fargo, and Nevada State Bank and a myriad of local talented housing and economic development specialists serving many rural communities throughout Nevada.

The road to prosperity for rural Nevada will have its share of challenges, but with a clear route in hand, we are confident we can all successfully navigate it.



Creating a Snapshot in Time for Rural Nevada



Good assessment data had not been collected in rural communities since before the economic crash.

IN ORDER TO BUILD the most complete picture possible of rural housing needs, NRHA took a comprehensive approach to the housing study. We focused on Nevada's Mineral Belt communities along I-80 – as far east as Ely, and into central Nevada, as far south as Tonopah – capturing ten of Nevada's rural counties. The study was designed to establish whether investment in housing resources was warranted. It includes current housing inventory, pricing, housing demand, projected demand and infrastructure needs by community. It took into account current and future jobs in the area, employee drive times, available local services and the ability of communities to sustain current and projected growth levels.

Data was collected from late 2013 to early 2014. Researchers talked to many different stakeholder groups and accessed many different resources, including collecting census data. They interviewed various local groups, residential populations, business owners, economic development groups, financial institutions, county commissioners, planners and other government agencies.

NRHA's Real Estate Director hosted individual meetings with the various cities and counties of Nevada to explain the concept and scope of the studies. NRHA, its consultants, USDA and HUD hosted meetings across the state with various organizers and planners to get input on the way the study should be conducted.

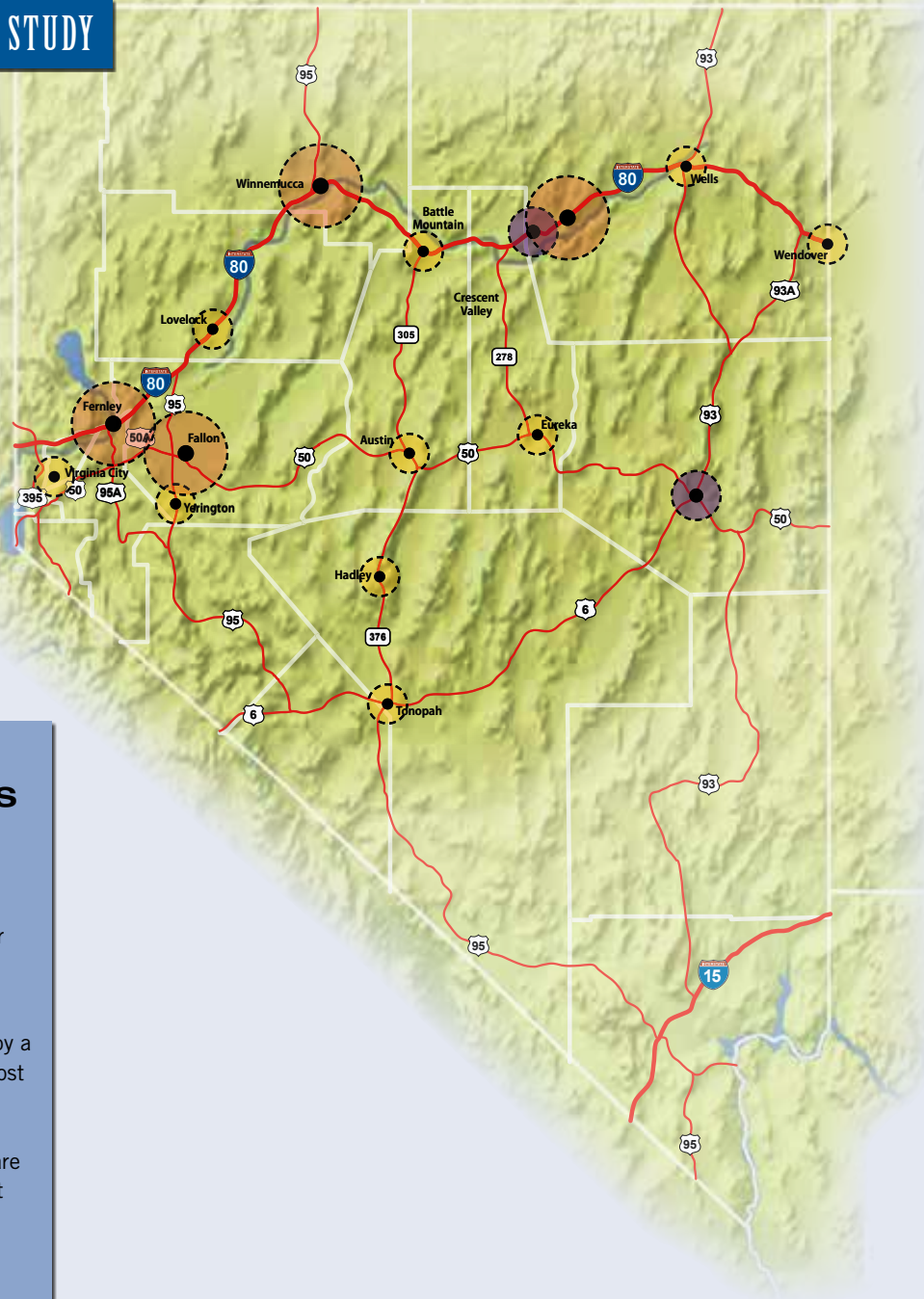
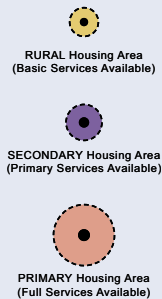
In the fall of 2014, the *2014-2018 Rural Nevada Housing Study* was released. The study assessed not only current needs, but also gave projections for housing requirements over the next five years to help guide planning. Armed with the first community-specific data they've had in decades, each rural community can now determine which investments make sense for them and better prepare themselves to respond quickly to new changes – changes like the recently announced new Tesla Gigafactory coming to northern Nevada.

PUTTING THE DATA TO WORK

NRHA has made the results of the study available to all stakeholders by putting it online at no charge along with community-specific summaries. The study provides a step-by-step guide to help communities address their unique challenges. Because of our long history helping rural communities assess and manage their housing needs, NRHA serves as a development consultant for rural communities, providing both the insight and resources to help them reach their full potential.

At its most basic, the *2014-2018 Rural Nevada Housing Study* serves as a mirror for each rural community, showing them, without judgment or bias, the true nature of their housing and development situation. How they choose to respond is up to them, but after a decade of not knowing, they finally have a clear picture. We are no longer prospecting now that we have this map in hand.

NEVADA RURAL AREA IN STUDY



Key Housing Study Takeaways

Populations overburdened

Throughout rural communities, individuals are paying too high a percentage of their income for their housing.

Inappropriate senior housing

Seniors in rural communities occupy a large portion of the market-rate (most expensive) housing. This housing is cost prohibitive for fixed-income seniors, and by inhabiting it, they are using up some of the inventory that other groups (i.e. workers) require.

Infrastructure strained

Some communities are built out to their utility and infrastructure capacity with limited or no ability to expand. Adjustments in community planning can help a city or township better focus on programs to help generate additional infrastructure value and options to aid their growth efforts.

It's time to plan for a
prosperous future in rural Nevada.

More than 3,100
families have
purchased a home
of their own through
Home at Last™



Some of the guests who attended our 2014 Lender Appreciation Event: Jason Hubbard with US Bank, Mark O'Brien of Raymond James, Rose Cook, Vice Chairwoman, NRHA Board of Commissioners, Gary Longaker with NRHA, and Scott Schmitt with US Bank.

Engaging with the Community We Serve

NEVADA RURAL HOUSING AUTHORITY'S HOMEBUYER SERVICES, or Home at Last™ team, prides itself on understanding the homebuyer community they serve and helping them to be both responsible and successful. The year before 2014 saw the launch of two homebuyer education courses, including a course in Spanish, providing homebuyers with tools that will help them in their quest for responsible and successful homeownership before and after they purchase their home.

The Home at Last™ team worked diligently to bring together lenders, real estate professionals and homebuyers, leading to a record number of community outreach activities and a record number of Nevada families benefiting from our programs.

2014 OUTREACH ACTIVITIES

- Hosted 2nd Annual Homebuyer Expo with close to 200 participants across northern Nevada
- Held homebuyer workshops in Las Vegas, Pahrump and Hawthorne
- Hosted Lender Appreciation event to recognize lender partners in Reno
- Held five lender workshops in southern Nevada to provide Home at Last™ support and recognition to top lenders
- Assisted with Mi Casa En Rural Nevada campaign through a partnership with USDA Rural Development
- Provided information services at Pahrump Housing Help Desk
- Partnered with Housing for Nevada and Senator Reid's office on Home Expo in southern Nevada
- Provided homebuyer information to hundreds of casino employees
- Joined Greater Las Vegas Association of Realtors

RECOGNITION FOR A JOB WELL DONE

Doing our job well is its own reward, but being recognized by our community for our work is always gratifying. In 2014, Home at Last™ was awarded the Trailblazer in Affordable Housing Award from Raymond James. The Northern Nevada Development Authority honored the entire Nevada Rural Housing Authority organization with the Battle Born Award in recognition of its green practices.



“The people at NRHA involved with the Home At Last™ program really seemed like they wanted to get us into a home; it felt like it was really important to them.”

— Brittany and David Tingle
Sparks, NV Homeowners

Nearly a Decade Helping Nevada Families Enjoy Responsible Homeownership

SINCE LAUNCHING in 2006, Home at Last™ has helped thousands of Nevada families purchase a home of their own. These families didn't just move in to new homes, they began establishing lasting roots, becoming integral parts of their communities and contributing to the economic growth of their towns and cities.

Home at Last's impact on Nevada has been impressive. In the nine years since its inception, HAL has guided thousands of families into successful homeownership. In addition to providing the financial resources to enable purchase, HAL provides homebuyers with the education to make sound purchasing decisions and even guidance in maintaining a home.

The Home at Last™
MTC program saved
Nevada homebuyers
nearly half a million
dollars in mortgage tax
costs in 2014.



Lenders gathered at NRHA's lender appreciation event in Reno last year to celebrate strong and successful partnerships and have a little fun.



Home at Last™ Milestones

- 3,100 families have become home owners with help from Home at Last™ since 2006
- More than \$17.5 million in down payment assistance since 2006
- Participating lender partners has grown to 67
- Served 16 of Nevada's 17 counties
- 1,400 participants completed online Homebuyer Education (now offered in Spanish)
- Offered quarterly classes on "10 Steps to Homeownership" to those interested in moving from rental assistance to homeownership

2014 Home at Last™ Access Highlights

- 759 families served
- \$137,354,811 in mortgages issued
- \$5,494,192.44 in down payment assistance issued
- Average home purchase price \$183,329
- Average household income served: \$57,133
- 43 cities served, up 16% from 2013
- Increased Home at Last™ Access loans in southern Nevada by nearly 40%

2014 Home at Last™ MTC Highlights

- 230 families served, up 28% from 2013
- \$39,289,158 in mortgages issued
- Over \$450,000 in mortgage tax savings
- Average home purchase price: \$179,215
- Created partnership with Nevada Housing Division to administer MTC in urban areas of Clark & Washoe County and served 62 households, totaling \$10,033,285 in mortgages
- Doubled the number of Home at Last™ MTC loans in southern Nevada
- 26 cities served
- More than \$11 million in tax savings for 715 families since 2009

In 2014, 100 people
gained permanent
housing through
NRHA's focus on ending
homelessness in
rural Nevada.

2014 Focus: Reducing Rural Nevada's Homeless Population

NEVADA RURAL HOUSING AUTHORITY'S Rental and Housing Programs department continued to take a leadership role in reducing homelessness throughout our state. Centralized intake offices for the homeless were established throughout rural Nevada for the first time in 2014. NRHA's Director of Rental and Housing Programs serves as Chair of the coordinating institution – the Rural Nevada Continuum of Care – and has helped guide the important work of this group.

Working with the Rural Nevada Continuum of Care, NRHA helped secure \$750,000 in federal grants designated to providing supportive services and rental assistance to homeless families and individuals in rural Nevada. NRHA also set aside vouchers from an allotment of Tenant Based Rental Assistant funding to provide homeless households with rental assistance that allowed them to start rebuilding their lives.



Our Multi-Family Service Coordinator helps seniors and the disabled live independently.

PUTTING NEVADA'S GRANT FUNDS TO WORK

NRHA was able to finalize subcontracts for the Shelter Plus Care grant from Rural Community Health Services. As a sub-grantee of Rural Community Health Services, NRHA will be able to maximize utilization of previously underused grant funds in support of homeless people with disabilities. NRHA is also a sub-grantee for the Supportive Living Assistance funds, providing financial resources geared to ensuring housing stability for those with mental health issues.

NRHA continues to receive grant monies to fund the multi-family service coordinator, serving elderly residents at Southgate Apartments in Carson City and Yerington Manor in Yerington. This service coordinator connects residents with needed services and enables them to remain living independently.



Each year, nearly 2,000 families receive safe, affordable housing with the support of NRHA's Housing Choice Voucher Program.

HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

Working with NRHA's Home at Last™ team, the Rental and Housing Programs department has offered quarterly classes on "10 Steps to Homeownership" to those interested in moving from rental assistance to homeownership. This program resulted in three new homeowners through the Housing Choice Voucher Homeownership Program. The program total is now seven with an additional five households maintaining their mortgage without assistance from NRHA.

10 YEARS AS A HUD HIGH PERFORMER

In 2014, NRHA earned High Performer status once again, utilizing 100 percent of our allocated housing vouchers. Over the years as government sequestration has been on the rise, many housing agencies have been unable to maintain stable utilization. It is a testament to NRHA and the Rental and Housing Programs department that we continue to maintain exceptional utilization rates year after year.

GETTING OUR HOUSE IN ORDER

Administrative work is not as headline-making as moving families from welfare to homeownership, but the efficiencies we achieve in our office and processes enable us to serve our constituents better.

A significant improvement to our administrative process in 2014 included moving the Rental and Housing Programs department to a paperless system. All applications for rental vouchers are now completed online, reducing data entry and staff time. All landlord payments are also now completed through direct deposit. To further streamline the process and to help our clients gain valuable money management skills and establish credit, NRHA soon will be implementing pre-paid debit cards for tenant utility reimbursement payments instead of issuing paper checks.

Three families
moved from rental
assistance to
homeownership
with the support
of NRHA.



NRHA's weatherization services save low-income residents thousands of dollars in utility bills annually.

Development Department Leads Housing Study Project

THE DEVELOPMENT TEAM spent much of 2014 working on the *2014-2018 Rural Nevada Housing Study*. Once the study was released, Development began working to inform individual communities about study findings and developing relationships with many of these townships, cities and county governments to help them address their newly clarified challenges.

As a direct result of the study, several projects in Dayton, Carlin, Battle Mountain and Tonopah are already in pre-development stages. These projects will address overburdened renters and homeowners, seniors, workforce housing gap issues and other community development challenges revealed by the study. Five additional projects are under consideration for 2016.

EMBRACING NEW TECHNOLOGY

Technological advancement for the entire NRHA organization, including Development, was a 2014 highlight. The team looked at new building technologies with the potential to make construction much more time and cost efficient, visiting several manufacturing facilities that make Structured Insulated Panel Systems (SIPS). These pre-manufactured building system components are made in factory and can be re-assembled on site, providing for real savings in development costs and construction timelines while taking advantage of new energy-efficient technologies.

Development also has been researching other energy saving and renewable energy systems, such as solar, for use in construction and rehabilitation projects with the goal of achieving LEED Green building standards. The team has been working with NV Energy, the Department of Housing & Urban Development, Everyday Energy, and Solar City (a Tesla affiliate) to help make these initiatives a reality.

Weatherization Exceeds Production Goals – Again

WORKING WITH \$412,376 in grant awards, the Weatherization team improved the energy efficiency of 148 households, putting them over their target goal by 72 percent. Their work will result in an average savings of 609 therms and 331 kilowatts per household. This team continually exceeds goals and has outperformed all other weatherization teams in Nevada by nearly a 2-to-1 margin.

Because of their track record of excellence, Weatherization was awarded a special grant from the Governor's Office of Energy, in conjunction with the Nevada Housing Division under the HEROS program, to provide life-changing energy efficiency and weatherization assistance to rural Veterans, seniors and families in need.

Two new employees who joined the team in 2014 supported the Weatherization team's



NRHA is actively pursuing sustainable building strategies for its development projects in partnership with government and energy companies.

success. Factors that contributed to the need to grow the department included an increase in 2014 project load and the anticipated surge in 2015 projects as communities come to understand and rectify their current housing shortfalls.

KEY PARTNERSHIPS LEAD TO INNOVATIVE ENERGY SOLUTIONS

This past year, NRHA reached out to industry leaders in the rapidly evolving sustainable and renewable energy fields in an effort to bring upgraded energy-efficiency systems and best practices to our properties.

Beginning in the 4th quarter of 2014, NRHA began actively developing a solar voltaic program (SVP) in conjunction with the USDA, Governor's Office of Energy, NV Energy, Black Rock Solar, Solar City (a subsidiary of Tesla) and Everyday Energy. This initiative would be implemented at various NRHA sites, providing renewable power generation and energy usage reduction, as well as additional operating revenues for NRHA.

The SVP program is on track to make its first solar installation at Southgate Apartments in Carson City in 2015 and then phase the program in throughout NRHA's entire property portfolio.

NRHA was the only Nevada public housing authority to join the federal HUD "Better Buildings Challenge" in 2014, which leads housing providers through a thorough energy assessment of their respective properties. The program offers financial incentives and assistance for innovative energy enhancement solutions.

Indigo Village
apartment complex
rehabilitation project
was completed, injecting
\$4,820,000 into the
community.

This Performance Plan helps us redouble our efforts to raise the bar in the affordable housing sector and work toward even higher levels of efficiency, effectiveness and excellence.

Executive Director Gary Longaker and consultant Sheri WoodsGreen discuss the Performance Plan.

Transforming a Great Organization Into a Model Organization

THE NRHA PERFORMANCE PLAN was developed in 2014 to align our internal departments and individual employees with performance initiatives that further our mission and vision on an annual basis. Through this process, we will improve the effectiveness, fiscal and organizational health and ultimate performance of NRHA.

The entire NRHA team worked together to develop the following organizational priorities that are in alignment with community needs. Achieving the goals will require the expertise and skillset of each NRHA department, as well as inter-department collaboration.

PRIORITY GOALS:

1. Promote and support successful homeownership
2. Provide project development that meets rural community demand
3. Develop and deploy modernization and management solutions
4. Develop solutions for capital resources
5. Bridge the gap between assistance and independence

As outlined in the preceding pages, many of the programs required to achieve our goals are in place and well underway. Others are being developed for future implementation and are mentioned in our “Looking Forward” section. This Performance Plan further exemplifies NRHA's commitment to constantly raising the bar in the affordable housing sector, challenging the status quo on a daily basis and striving to exceed even our own high expectations for efficiency, effectiveness and excellence.





Conservative Approach has NRHA Poised to Help Rural Nevada Excel

NEVADA RURAL HOUSING AUTHORITY invested conservatively in 2014 in anticipation of the release of the housing study data. Armed with this information, we are mapping out an investment strategy based on the needs of the rural communities we serve. Working in conjunction with our partners at the local, regional and state levels, NRHA will put our considerable administrative, technical and financial resources to work helping rural communities navigate their housing challenges, plan for their prosperity and realize their full potential.

Our constituents are rural Nevada – from the outskirts of Reno to the sage colored hills of Ely.

NEVADA RURAL HOUSING AUTHORITY ANNUAL REPORT SUMMARY OF FINANCIAL PERFORMANCE

Fiscal Year	Operating Revenues	Operating Expenses	Non-Operating Items	Surplus (Deficit)	Total Net Assets
2014	\$ 14,654,801	\$ 14,150,597	\$ 1,960	\$ 506,164	\$ 16,408,166
2013	15,768,783	14,173,952	32,849	1,627,680	15,902,002
2012	15,738,084	14,005,699	134,647	1,867,032	14,274,322
2011	15,712,635	16,103,685	142,623	(248,427)	12,407,290
2010	14,610,319	14,248,145	275,587	637,761	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

Nevada Rural
Housing Authority will
continue to explore and
develop partnerships
throughout the state and
beyond its borders.

Start with a Good Map, Then Choose the Right Navigators

WE ARE NO LONGER FLYING BLIND. We are not forced to make our “best guesses.” With the *2014-2018 Rural Nevada Housing Study*, Nevada has a map to guide us boldly into the future.

Looking to 2015 and beyond, we have the ability to plan intelligently for the future. We can make educated decisions about how and where to grow and what to build. NRHA will spend a lot of 2015 in the rural communities, informing them about the study findings and helping them tackle their specific issues.

Because the world continues to change, the housing study will be updated periodically. Already NRHA has commissioned a second housing study covering Carson City and Douglas County. When new businesses move to town, when mines open or close, when senior apartments are built or single-family housing is developed, periodic study addendums will reflect our changing landscape.

Nevada Rural Housing Authority will continue to explore and develop partnerships throughout the state and beyond its borders. Among our goals is securing Veterans Affairs Supportive Housing (VASH) vouchers in Elko, White Pine and Nye counties to help address the high number of homeless vets in those communities. This will require working with Salt Lake City and Las Vegas VA Medical Centers.

As an organization, NRHA also will continue to map its future. We will build on our internal processes and become more integrated and more efficient. By improving our operations, we will better be able to meet our mission – enhancing the quality of life in rural communities – and that promises a bright future for all of us.

Highway 93 outside of
Jackpot, Nevada.



Committed to Keeping NRHA on the Right Path



The Nevada Rural Housing Authority Board of Commissioners helps guide the path of the organization. Pictured above, back row from left, Chairman Willis Swan, Vice Chairwoman Rosella May Cook and Commissioner Roger Mancebo. Front row from left, Commissioners Gwen Washburn and Melody Harkreader.



OUR MISSION

We are committed to enhancing the quality of life in rural communities by providing the resources for greater independence through affordable housing and related programs.



GETTING YOU HOME

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.



This institution is an equal opportunity provider and employer.

2/2015