

The background of the lower two-thirds of the cover features a large, abstract graphic. It is composed of several overlapping, upward-pointing arrows. The central arrow is a large, bright yellow. Behind it and to the sides are several other arrows in various shades of blue, some solid and some with a textured, pixelated edge. The arrows are arranged in a way that suggests growth and upward movement. The text is centered within the yellow arrow.

**Innovative
Economic Leadership
for Rural Nevada**
2012 ANNUAL REPORT



Willis Swan, NRHA Chairman, addresses the NRHA board at the 2012 board retreat.

CHAIRMAN'S MESSAGE

To paraphrase Lee Iacocca, in the housing business, you lead, follow or get out of the way. Nevada Rural Housing Authority intends to be a leader.

Our leadership in both rural housing and rural economic development is not a pipe dream or a distant goal, it is a reality we have created. The Economic Vision Network we developed in 2011 gave us a framework for this leadership role, enabling us to bring together key players in our rural communities in order to get things done.

Make no mistake, we are getting things done. 2012 saw Nevada Rural Housing Authority (NRHA) complete an affordable senior housing project in Winnemucca through partnerships with the city, Humboldt County, and private groups. Through collaboration with the Eureka's Board of County Commissioners, NRHA was able to complete Phase 1 of a project to address housing needs for mine workers in Eureka. Partnerships with lenders and realtors throughout the state have enabled NRHA to expand its Home at Last™ programs to serve even more Nevadans including those knocked down by the foreclosure crisis. And NRHA's rental assistance program continues to work with federal, state and regional housing and social service agencies to bring a growing number of services to low-income, disabled, elderly and veteran populations in need.

NRHA is leading rural Nevada into the future. We are not waiting for "things to pick up," for the economy to turn around, or for federal funding to be "restored to previous levels." We are helping rural Nevada define, build, and benefit from its own prosperous, exciting, and limitless future.

Willis Swan

Chairman, Nevada Rural Housing Authority Board of Commissioners



Gary Longaker of NRHA is joined by William Brewer of USDA and Tony Ramirez of HUD to discuss development plans.

THE EXECUTIVE DIRECTOR'S MESSAGE

If I had to summarize what makes me most proud of the work we do here at Nevada Rural Housing Authority (NRHA), I would say that we find solutions.

40 years ago this April, NRHA was born from an act of the State legislature and a desperate need to augment affordable housing in our rural communities. We developed a solution for that challenge and have since addressed many other challenges.

There is no doubt rural Nevada has its share of challenges, not just with affordable housing, but with economic viability on a broader scale. We are addressing these challenges, both the ones we understand from our assessments and research, and the ones brought to us by cities, counties and development groups that have come to rely on us for help. One by one we are finding solutions.

In 2012 we tackled the need to help those who had lost their homes during the housing crisis of the last five years. While we had only offered homebuyer programs for first time buyers, in 2012 we figured out how to serve a broader group of Nevadans with Home at Last™ Access. We found a solution. When Eureka County asked NRHA to help address a lack of housing for mine workers, we developed a cost-effective plan with the Townhomes at Eureka Canyon. We found a solution.

Tough times force us to be innovative. They force us to bring our A game. So as we celebrate our 40th anniversary this year, I believe we are embarking on our most productive and innovative years yet. I can't wait to see what happens.

A handwritten signature in black ink, appearing to read "D. Gary Longaker".

D. Gary Longaker

Executive Director, Nevada Rural Housing Authority



IN 2012, NRHA STRENGTHENED
ITS FINANCIAL POSITION THROUGH
INNOVATION AND EFFICIENCY.

WHEN THE GOING GETS TOUGH, THE TOUGH GET CREATIVE.

2012 was not a stellar year for Nevada's housing market, for economic development in general, or Nevada's state-funded services in particular. Yet against this backdrop, Nevada Rural Housing Authority was able to serve more rural Nevadans than ever before in our 40-year history and drive the engine of Nevada's rural economy forward.

So how did we help 400 rural families purchase a home, develop desperately needed housing in Eureka, address Humboldt County's need for affordable senior housing, and provide 1,754 low-income households with housing services? We innovated.

CONTROLLING THE COST OF INNOVATION

We understand how to do more with less. In 2012, NRHA strengthened its financial position through innovation and efficiency. Over half of our surplus was generated from the Home at Last™ program.

NEVADA RURAL HOUSING AUTHORITY ANNUAL REPORT SUMMARY OF FINANCIAL PERFORMANCE

Fiscal Year	Operating Revenues	Operating Expenses	Non-Operating Items	Surplus (Deficit)	Total Net Assets
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



HOUSING PROGRAMS SNAPSHOT

- Households served through Housing Choice Vouchers: 1,534
Economic impact: \$7,325,620
- Veterans served through VASH: 70
Economic impact: \$464,126
- Disabled individuals served: 605
- Economic impact of Tenant Based Rental Assistance: \$236,400
- Security Deposit loans disbursed: \$85,444

HOUSING PROGRAMS & SERVICES

HELPING THE MOST NEEDY AND VULNERABLE AMONG US.

2012 marked an evolution in NRHA's housing programs. While they continue to serve low-income households, the disabled, the elderly, and veterans, we are working to bring a range of social services beyond rental assistance to these populations.

We are partnering with social service agencies throughout rural Nevada to achieve their expanding goals by attending staff meetings, community resource days, and other forums to spread our mission and encourage participation in our programs.

DEFINING THE LANDSCAPE

In 2012, NRHA did an internal review of their housing programs leading the organization to pursue a more service-oriented approach.

FUNDING

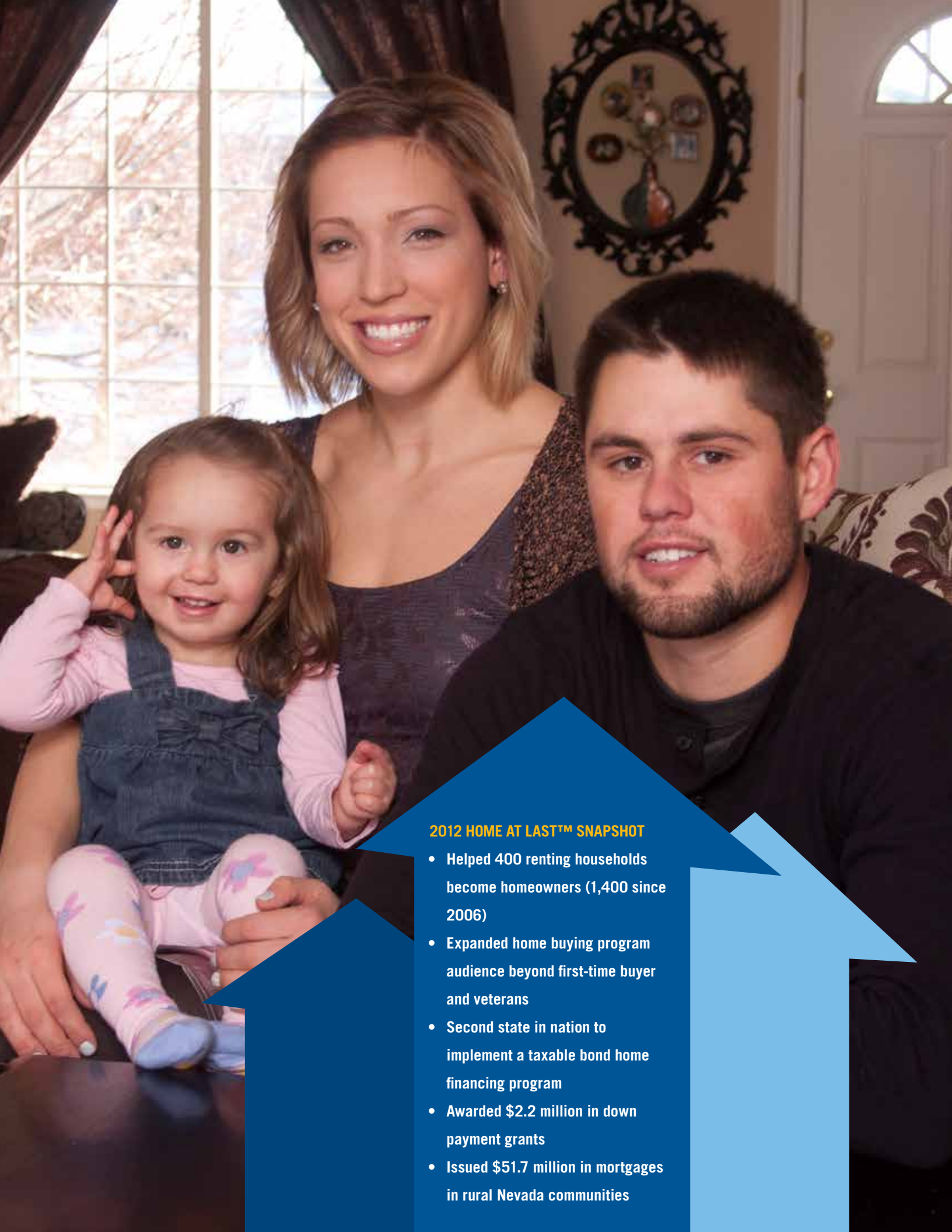
In order to adequately fund a whole host of complementary social services for Housing Choice Voucher participants, NRHA is developing new partnerships and looking at new grant sources.

Grants were submitted to the Department of Veterans Affairs, Grant and Per Diem program and to HUD for the Multi-Family Service Coordinator grant. Grants were received from Nevada Housing Division (NHD) and Western Nevada Home Consortium totaling \$285,000 for the Security Deposit Loan program and Tenant Based Rental Assistance.

ACCOLADES

In 2012, NRHA's Housing Program was again named a High Performer by the Department of Housing and Urban Development (HUD).

How were we able to accomplish this for a record breaking eighth year? We maintained a Housing Choice Voucher utilization rate above 99% and cleared a multi-year waiting list while continuing to provide resident support services to 200 households at Southgate Apartments and Yerington Manor.



2012 HOME AT LAST™ SNAPSHOT

- Helped 400 renting households become homeowners (1,400 since 2006)
- Expanded home buying program audience beyond first-time buyer and veterans
- Second state in nation to implement a taxable bond home financing program
- Awarded \$2.2 million in down payment grants
- Issued \$51.7 million in mortgages in rural Nevada communities

HOMEBUYER PROGRAMS

2012 HOME AT LAST™

CHANGING THE HOME BUYING EQUATION IN RURAL NEVADA. AGAIN.

How do you help rural residents purchase a home and enhance community stability when the lending environment is unresponsive? If you are Nevada Rural Housing Authority, you develop your own home financing programs – Home at Last™. You partner with lenders and realtors throughout the state and you educate buyers on responsible homeownership. If you are the Nevada Rural Housing Authority, you just get it done.

DEFINING THE LANDSCAPE

Home at Last™ is NRHA's family of home financing programs designed to encourage and facilitate homeownership in rural Nevada, enhance the stability of rural communities, and drive economic activity.

INNOVATION

In 2012, the Home at Last™ Access program was launched marking several firsts for NRHA. It was the first Home at Last™ program available to buyers other than first-time buyers and veterans. It was the first taxable bond home financing program in the state of Nevada. And it was just the second program of its kind in the United States.

2012 was also the first time that NRHA was able to pair both of their down payment assistance programs – Home at Last™ Access and Home at Last™ WISH – with their Mortgage Credit Certificate (MCC) program providing even more savings for rural homebuyers.

Access and WISH both provide down payment assistance – Access offers a 4% cash grant and WISH triples the homebuyer's contribution – while MCC provides a dollar-for-dollar federal income tax credit up to 50% of the annual loan interest. Packaged together, these programs provide tremendous savings.

Of 86 households that used Home at Last™ MCC, 24 paired their program with Home at Last™ Access and received free down payment assistance. Another 21 paired the MCC with Home at Last™ WISH and were able to triple their down payment.

PARTNERSHIPS

Lenders and realtors continue to be among NRHA's most valued partners promoting and administering Home at Last™ programs throughout rural Nevada.

Fifteen lenders became approved for NRHA's Home at Last™ Access program. Home at Last™ MCC had 18 lenders renew for the 2012 MCC program. NRHA's Mortgage and Marketing Specialist Nicole Larrimore traveled the state training lenders, realtors and homebuyers in many communities including Winnemucca, Ely, Elko, Mesquite, and Boulder City. Throughout the year, NRHA recognized and celebrated these key partnerships with Most Valuable Partner awards.

Nevada Rural Housing Authority works closely with our Home at Last™ partners to educate stakeholders about all the home buying options available. These options include programs NRHA does not manage, but that can often be paired with a Home at Last™ program to maximize savings and opportunities for home ownership.

Among these programs are the USDA Rural Development Guaranteed Loan that offers 100% financing of the home loan amount. Roughly 25% of the 2012 Home at Last™ loans were USDA loans with a reduced down payment requirement. NRHA also established relationships with Earth Advantage certified realtors and lenders in 2012 who are knowledgeable about ways to combine FHA Energy Efficient Mortgages with Home at Last™ programs.

According to the US Census Bureau, Nevada's homeownership rate was 55.7% in the second quarter of 2012, with the US average at 65.4%. NRHA sees collaborative partnerships as an opportunity to bring more value and benefit to rural residents and increase the homeownership rate.

GROWTH

With Home at Last™ Access, NRHA established a broader target market for rural home buying by waiving the first-time homebuyer requirement. This led to the fastest increase in loan originations for NRHA with 232 loans registered in less than six months and a total of 347 loans registered in 2012.

In 2012, Home at Last™ Access provided rural buyers with \$2 million in down payment assistance and funded a total of \$49.2 million in mortgages.

NRHA's Home at Last™ Mortgage Credit Certificate (MCC) program also saw growth, particularly after the benefit amount for the income tax credit was increased from 35% to 50% of the annual loan interest. 86 MCC loans were issued in 2012 utilizing the entire \$15.6 million allocation for 2012. NRHA requested and received additional allocation of \$79 million in November to continue the program in 2013.

With the support of Nevada State Bank, the Home at Last™ WISH program successfully administered \$266,157 in down payment funds and mortgages totaling \$2.5 million and helped 21 families pay down payment and closing costs on their new homes.

All the growth and expansion experienced by Home at Last™ necessitated the addition of a full time Mortgage & Marketing Specialist, Nicole Larrimore. To help even more homebuyers, expansion of the program will continue in 2013 with the addition of more staff and resources.



EUREKA CANYON SNAPSHOT

Investment from Phase I: \$5,203,602

Investment from Phase II: \$1,072,250

REAL ESTATE SERVICES

TOWNHOMES AT EUREKA CANYON

ADDRESSING THE NEED FOR MINERWORKER HOUSING IN EUREKA, NEVADA.

In early 2010, Nevada Rural Housing Authority began working with the Board of Commissioners of Eureka County Nevada to help address their ongoing housing shortage that was being exacerbated by the expansion of area mining operations.

NRHA assessed the housing need and feasibility and developed a cost-effective development plan. That project became the Eureka Canyon Subdivision with both single family and multi-family components.

In 2012, the first fifty townhomes were completed and began leasing under NRHA management. As of February 1, 2013, 40 of the 50 townhomes have been leased. NRHA is evaluating the feasibility of developing 80 additional townhomes and has prepped the single-family lots for development by the County.

DEFINING THE LANDSCAPE

NRHA real estate services help solve housing and economic development challenges in rural communities.

NRHA'S ROLE WITH TOWNHOMES AT EUREKA CANYON INCLUDED:

- needs assessment
- feasibility study
- development
- financing



LARIOS ARMS SNAPSHOT

- **Jobs:** Two permanent full-time jobs were created along with multiple part-time labor positions
- **Economic impact:** \$691,000 invested in local labor wages, permits and infrastructure improvements
- **Total investment:** \$6,500,000

LARIOS ARMS

A \$6,500,000 INVESTMENT IN WINNEMUCCA GIVES SENIORS A PLACE TO CALL HOME.

After completing an initial housing assessment and determining a need for affordable housing, the Humboldt Development Authority approached Nevada Rural Housing Authority for help. NRHA was asked to identify specific community housing needs and subsequently identified a need for more affordable senior housing in Winnemucca.

DEFINING THE LANDSCAPE

**Private/public partnerships
are the rural development
model of the future.**

The senior housing project, named Larios Arms Senior Residences after long time senior advocate Dee Larios, was a truly collaborative effort. The City of Winnemucca donated the land for the housing project and Senior Citizens of Humboldt County released a lease that they had on the property. NRHA and Desert Winds (a 501(c)3 community development organization) partnered with Praxis Development to apply for Low Income Housing Tax Credits, HOME Funds and Federal Home Loan Bank Affordable Housing Program funds.

The financing of Larios Arms was done with help from Nevada Housing Division, Enterprise Community Investment, Inc., Charles Schwab Bank & Federal Home Loan Bank of San Francisco, the Department of Housing & Urban Development, Idaho Nevada CDFI, Wells Fargo Bank, the City of Winnemucca, along with Nevada Rural Housing Authority and the Desert Winds Development Group.

Larios Arms required a significant investment in both construction and infrastructure improvement. A water line that serves the neighborhood where Larios Arms is located was upgraded at a cost of \$68,000. The project paid a total of \$185,000 in permits and impact fees to local government. Local labor wages totaled \$348,000 while laborers patronized local restaurants, hotels, and stores during the 12-month construction process.



Gary Longaker of NRHA is joined by Perry Comeaux, President and Tony Muscarella, Board Member of Desert Winds Development Group at the Larios Arms Senior Residence ribbon cutting.



Gary Longaker of NRHA updates Carson City Mayor Bob Crowell on Home At Last™ activities in the Carson City area.

LEADING RURAL NEVADA INTO THE FUTURE.

April 19, 2013 will mark the 40th year since an act of the Nevada State legislature created Nevada Rural Housing Authority. During our first 40 years we have made significant impact on rural housing and rural development, but we are far from done. We plan to spend the next 40 years continuing to lead and serving as a resource for rural Nevada.

2013 FOCUS POINTS

- Renewed focus on NRHA's rental and housing programs to provide a wider range of complementary social services to this in-need population.
- Renovate and expand Sunridge Quarters apartments located in Fallon, Nevada with newly awarded Low Income Housing Tax Credits.
- Expand the Home at Last™ presence and program usage in southern Nevada with the addition of a full-time employee dedicated to this area.

There is clearly still a demonstrable need for housing and economic development support in Nevada's rural communities. Right now, Nevada Rural Housing Authority has the track record, the relationships, the creativity, and the will to get done what needs to get done in order to build a stronger Nevada.



The Nevada Rural Housing Authority Board of Commissioners is helping to guide the future of the organization. Back row from left, Chairman Willis Swan, Commissioners Chandra Henry, Roger Mancebo. Front row from left, Vice Chairwoman Gwen Washburn, Commissioner Tom Cook.



GETTING YOU HOME

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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.

