

# Housing Needs Assessment of the City of Winnemucca and its Surrounding Areas

## Chapter IV: Employer Survey

### Introduction

In March 2008, Praxis Consulting Group carried out a web and mail survey of local employers in order to better understand the impact of the local housing market on Winnemucca area businesses. The Employer Survey was sponsored by the Humboldt County Chamber of Commerce and the Humboldt Development Authority and was sent to the 277 members of the CoC. We received more than 50 responses to the survey.

Please find below a summary of the findings of the Employer Survey, followed by a detailed analysis of the survey responses. The survey tabulation, list of participants, and survey instrument are included as attachments to this report.

### Summary of Findings

- **Employers indicated a significant need for more affordable and workforce housing in Humboldt County.** When asked, “How would you rank affordable and workforce housing among the many competing needs in your community?” more than 4 in 10 (42.6%, 23 of 54) ranked it a “1” on a scale of 1 to 5, with “1” meaning a “high priority” and “5” a “low priority.” Almost two-thirds (63.0%, 34 of 54) ranked affordable and workforce housing either a “1” or “2.”
- According to employers, the types of housing most needed in Winnemucca are “Rental housing at affordable rates” (82.7% [43 of 52] ranked this housing type a “1” or a “2,” with “1” meaning “most needed”) and “Entry-level homeownership opportunities” (80.8%, 42 of 52). Other cited housing needs in the Winnemucca area included, in order of declining priority: “Housing (all types) within a short driving distance of Winnemucca” (61.5% [22 of 52]); “Housing for mid- to senior-level management employees” (39.6% [21 of 53]); “Manufactured housing opportunities” (30.8% [16 of 52]); and, “Short-stay (6 months or less) employee housing (28.9% [15 of 52]).
- The two most significant perceived barriers to addressing the housing needs in the community were **“the ‘boom and bust’ economic cycles in the Winnemucca area” (75.4% [40 of 53] of respondents ranked this a “1” or “2,”)** and **“the price of construction and/or availability of contractors in community” (50.9% [27 of 53]).**
- Employers stated that the cost and availability of housing in Winnemucca has an impact on their businesses, particularly on smaller businesses of less than 10 employees. Among all employers, 55.6% (30 of 54) answered “yes” to the question “Does the cost or availability of housing in the Winnemucca area have an impact on

your business?” 29.6% (16 of 54) answered “no,” and 14.8% (8 of 54) answered “don’t know.” The spread between “yes” and “no” responses for smaller businesses was 36.4%, compared to 9.5% for larger businesses, suggesting that the cost and availability of housing has a greater perceived impact on smaller businesses.

- According to respondents, the cost and availability of housing has a specific impact on their business’s ability to “Attract new employees to the Winnemucca area” (49.0%, [26 of 53] respondents ranked this either a “1” or “2), “Expand, in response to new opportunities” (39.6% [21 of 53]), and “Retain existing employees” (28.3% [15 of 53]).
- Finally, we asked employers for recommendations on ways that the community could address its housing needs. The responses fell into three categories: “Reducing development standards and red tape,” “Promoting housing development,” and “Attracting more public resources to Winnemucca and rural Nevada for affordable and workforce housing.”

### **Methodology**

In March 2008, Praxis Consulting Group LLC distributed a two-page Employer Survey to members of the Humboldt County Chamber of Commerce. The purpose of the survey was to ascertain the impact of the local housing market on area businesses. Are businesses and their employees affected by the cost and/or availability of housing? How does the housing market affect the ability of businesses to relocate to Winnemucca, to expand, or to attract and hold on to good employees? What recommendations do employers have for addressing housing needs and/or for reducing barriers to new housing development?

The survey was administered in two forms: as an online survey through SurveyMonkey.com<sup>®</sup> to those CoC members with identified e-mail addresses, and as a paper survey by mail to those members without e-mail addresses. To increase the return rate, we also ran an article in *Humboldt Sun* about the Housing Needs Assessment. And, we re-contacted e-mail participants twice over a three-week period reminding them to complete the web survey.

The response rate was commendable. Of the 277 surveys sent out, subtracting 23 that were returned due to incorrect e-mail or mail addresses, 55 were completed by participants, resulting an overall return rate of 21.7% (55 of 254). The response rate to the e-mail survey was higher at 24.9% (42 of 169). 15.3% responded to the mail survey (13 of 85).

We would like to thank all those who took part in the Employer Survey for their time and thoughtful responses.

**Profile of Respondents**

The businesses that responded to the survey were as diverse as the community they represent. We received responses from small and large retail businesses, government agencies, non-profit organizations, utility companies, and construction and mining concerns.

The most common industries represented in the Employer Survey were Retail Trade (28.0%, 14 of 50 respondents), followed by Education, Health and Social Services (16.0%, 8 of 50) and Construction (8.0%, 4 of 50). Almost half of the respondents checked “Other” as their industry. These included representatives of utilities, media, government, real estate, and financial services. (See Table 1.)

**Table 1: Survey Respondents by Industry**

Retail Trade	14	28.0%
Education, Health, and Social Services	8	16.0%
Construction	4	8.0%
Arts, Entertainment, Recreation, Accommodation and Food Services	2	4.0%
Mining	1	2.0%
Manufacturing	0	0.0%
Agriculture	0	0.0%
Other	21	42.0%
<b>Total</b>	<b>50</b>	<b>100.0%</b>

Source: Winnemucca Employer Survey, March 2008

Almost two-thirds of survey respondents represented smaller businesses of 9 or fewer employees (62.3% 33 of 53); and of these, most respondents were either self-employed or employed only 1 or 2 workers. The remaining one-third of respondents represented larger employers with 10 or more employees (37.7%, 20 of 53). The largest employers represented in the survey were Newmont Mining Corporation, the U.S. Bureau of Land Management, Humboldt Human Development Services, H.E. Hunewill Construction Company, and Khoury’s Marketplace, each representing a different sector of the economy. Overall, the businesses that responded to the Employer Survey employ over 1,900 workers in Humboldt County.

The following narrative provides a summary of responses by topic area. The detailed survey tabulation, list of participants, and survey instrument are included as attachments to this chapter.

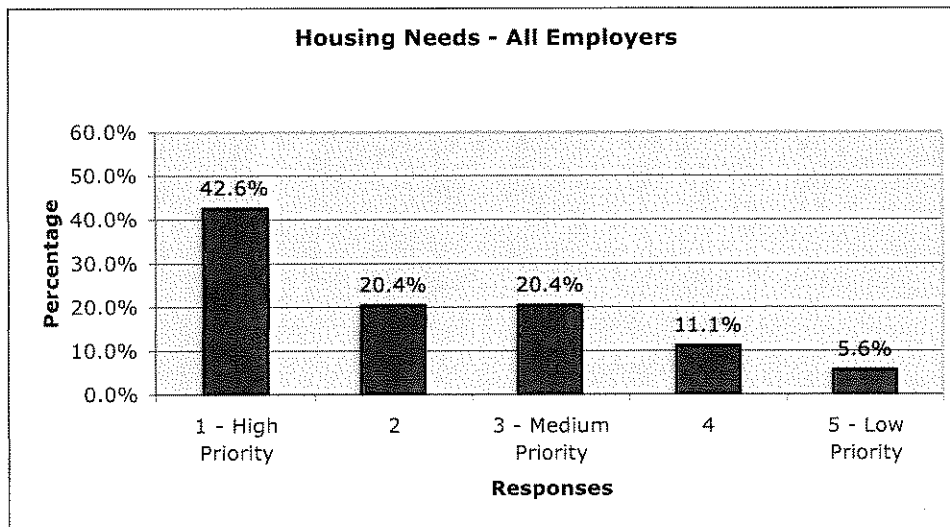
**Housing Need**

**Employers indicated a great need for more affordable and workforce housing in Humboldt County.** When asked “How would you rank affordable and workforce housing among the many competing needs in your community?” more than 4 in 10

(42.6%, 23 of 54) ranked it a “1” on a scale of 1 to 5, with “1” meaning a “high priority” and “5” a “low priority. Almost two-thirds (63.0%, 34 of 54) ranked affordable and workforce housing either a “1” or “2.” (See Chart 1.)

Smaller employers indicated a somewhat greater need for affordable and workforce housing than larger employers. In businesses with less than 10 employees, 63.7% (21 of 33) ranked affordable and workforce housing a “1” or “2,” with 48.5% (16 out of 33) ranking it a “1” or “high priority.” Among employers with 10 or more employees, 61.9% (13 of 21) ranked affordable and workforce housing a “1” or “2,” with only 33.3% (7 out of 21) ranking it a “high priority.” It is possible that the housing crunch is having a greater impact on smaller businesses in Winnemucca, which may pay lower wages or offer fewer benefits.

**Chart 1: “How would you rank affordable and workforce housing among the many competing needs in your community?”**



Source: Winnemucca Employer Survey, March 2008

As a follow-on, open-ended question, we asked respondents what they saw as the “greatest housing needs or problems in the Winnemucca area.”

Here, the responses fell into two categories. First employers indicated a **need for more housing units on the ground, and particularly more rental housing units.** Common responses included: “not enough rentals,” “virtually nothing available,” and “middle income houses are hard to find in the area, and rentals are almost non-existent.” One employer observed that “there are not enough rentals available for incoming staff to relocate” to Winnemucca. Another pointed out that the available rental units are not in good condition or sized for families.

Affordability was the other major concern. Respondents cited a need for more affordable housing, and more entry-level ownership housing (for instance, “3-4 bedroom houses in

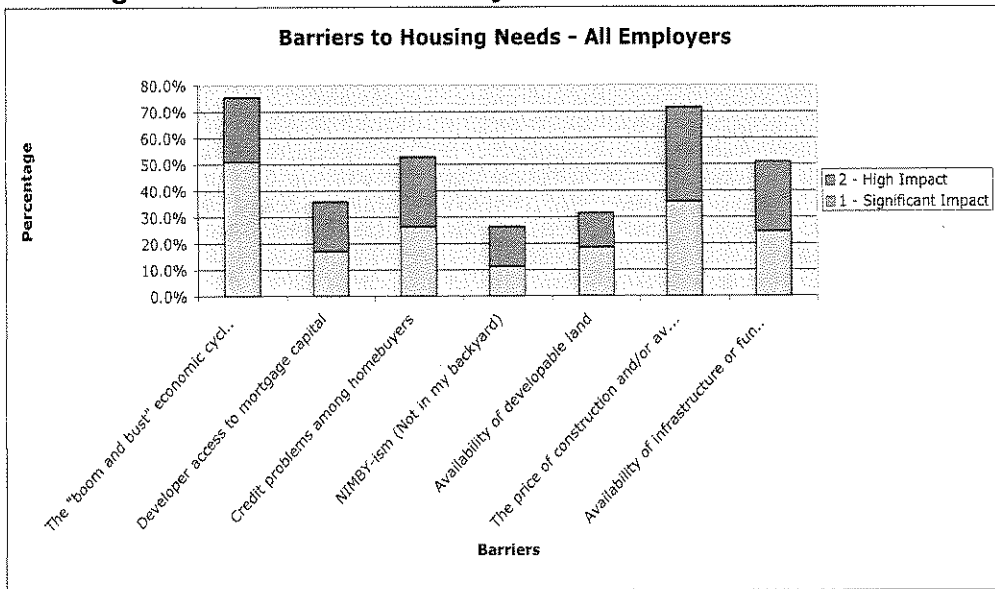
the \$175,000 to \$225,000 range”). One employer observed that there is a need for more “affordable rental and ownership housing for the workforce housing sector of the population (60% - 100% of area median income).” Another pointed out that “the majority of jobs are service industry, minimum wage jobs and the housing prices are based upon the mining industry wages.” A common refrain in both the Employer Survey and in our one-on-one interviews with key informants was that the existing subsidized housing in Winnemucca only serves very low-income households. However, there is also a great need for unsubsidized housing serving working people who are over-income and do not qualify for USDA or tax credit housing.

### Barriers to Addressing Housing Needs

We next asked respondents to rank on a scale of 1 to 5, with “1” meaning “significant impact” and “5” meaning “having no impact at all,” what they see as the greatest barriers to addressing the housing need in their community.

Not surprisingly, the two most significant perceived barriers were “the ‘boom and bust’ economic cycles in the Winnemucca area” and “the price of construction and/or availability of contractors in community.” (See Chart 2.)

**Chart 2: What do you see as the greatest barriers to addressing the housing needs in their community?**



Source: Winnemucca Employer Survey, March 2008

75.4% (40 of 53) of respondents ranked “the boom and bust economic cycles a “1” or “2,” with 50.9% (27 of 53) of respondents ranking it a “1” or “significant impact” in addressing housing needs in the community.

The “price of construction and/or availability of contractors in community” was the next highest perceived barrier. 71.6% (38 of 53) of respondents ranked it as having at least a

“1” or “2,” with 35.8% (19 of 53) ranking it a “1”, having a “significant impact.”

Other perceived barriers in declining priority were:

- “credit problems among homeowners” (52.8%, 28 of 53) ranked this a “1” or a “2;”
- “availability of infrastructure or funds for infrastructure improvements (50.9%, 27 of 53);
- “developer access to mortgage capital” (35.9%, 19 of 53);
- “availability of developable land” (31.5%, 17 of 53); and,
- “NIMBY-ism (not in my backyard)” (26.4%, 14 of 53).

It is interesting to note that the constellation of affordable housing issues and barriers in Humboldt County are very different from that of urban Nevada, where land and neighborhood opposition are often among the highest perceived barriers. In our one-on-one interviews in Humboldt County, we learned that the cost and availability of infrastructure is a far more significant barrier to housing development—particularly related to the expansion of services to Grass Valley—than the availability of land.

### **Housing as a Barrier to Economic Development**

Employers stated that the cost and availability of housing in Winnemucca has an impact on their businesses, particularly on smaller businesses of less than 10 employees. Among all employers, 55.6% (30 of 54) answered “yes” to the question “Does the cost or availability of housing in the Winnemucca area have an impact on your business?” 29.6% (16 of 54) answered “no,” and 14.8% (8 of 54) answered “Don’t know.”

Smaller businesses were more likely than larger businesses to answer “yes” to this question of housing as a barrier to business health. Among employers with less than 10 employees 60.6% (20 of 33) answered “yes” and 24.2% (8 out 33) answered “no.” The percentage spread between those answering “yes” and “no” was 36.4%, a significant gap showing that owners of smaller businesses perceive affordable housing as having a greater impact on their business.

Among businesses with 10 or more employees, 47.6% (10 of 21) answered “yes,” and 38.1% (8 of 21) answered “no.” The spread between “yes” and “no” responses was 9.5%, compared to 36.4% for smaller businesses, suggesting again that the cost and availability of housing is having a lesser-perceived impact on larger businesses. (See Table 2.)

**Table 2: Does the cost or availability of housing in the Winnemucca area have an impact on your business?**

Possible Answer	# answered	% answered	
Yes	30	55.6%	All Employers
No	16	29.6%	
Don't Know	8	14.8%	
Yes	20	60.6%	Less than 10 Employees
No	8	24.2%	
Don't Know	5	15.2%	
Yes	10	47.6%	10 or more Employees
No	8	38.1%	
Don't Know	3	14.3%	

Source: Winnemucca Employer Survey, March 2008

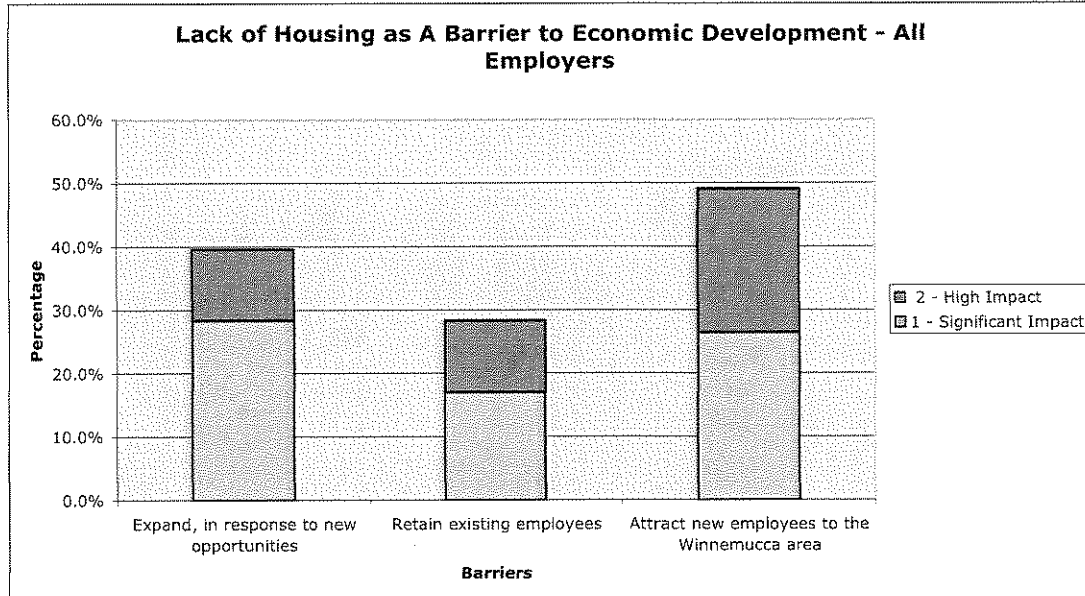
As a follow up to that question, we asked employers to identify specific ways in which the cost and availability of housing affects their businesses.

**On a scale of 1 to 5, with “1” meaning having a “significant impact” and “5” meaning having “no impact at all,” almost half of respondents (49.0%, 26 of 53) ranked “Attract new employees to the Winnemucca area” either a “1” or “2.”** Interestingly, larger employers ranked this as a high impact more often than smaller employers (61.9% vs. 40.7%). It is possible that larger employers are more focused upon attracting new workers from outside to the region, while smaller employers tend to draw from the existing pool of workers in Winnemucca. (See Chart 3.)

Respondents next cited “Expand, in response to new opportunities” as a specific impact on their businesses. 39.6% (21 of 53) of respondents ranked this impact either a “1” or “2.” Both smaller and larger employers responded in similar percentages to this impact.

Finally, 28.3% of respondents (15 of 53) ranked “Retain existing employees” as either a “1” or “2.” Here again, larger employers ranked this as a high impact more often than smaller employers (38.1% vs. 21.9%). Larger employers, those with 10 or more workers, seem to perceive the cost and availability of housing to have an impact on their ability to retain workers.

**Chart 3: “How would you rank the impact of the cost and availability of housing on your businesses ability to...?”**



Source: Winnemucca Employer Survey, March 2008

### Types of Housing Needed in the Community

According to employers, the types of housing most needed in Winnemucca are “Rental housing at affordable rates” (82.7%, 43 of 52, ranked this housing type a “1” or a “2,” with “1” meaning “most needed”) and “Entry-level homeownership opportunities” (80.8%, 42 of 52). These responses mirror the open-ended responses cited above, where rental housing and affordable homeownership opportunities were mentioned most often by respondents. The responses from smaller and larger employers were about the same in these categories. (See Chart 4.)

Other cited housing needs in the Winnemucca area included, in order of declining priority:

“Housing (all types) within a short driving distance of Winnemucca” (61.5%, 22 of 52);

“Housing for mid- to senior-level management employees” (39.6%, 21 of 53);

“Manufactured housing opportunities” (30.8%, 16 of 52); and,

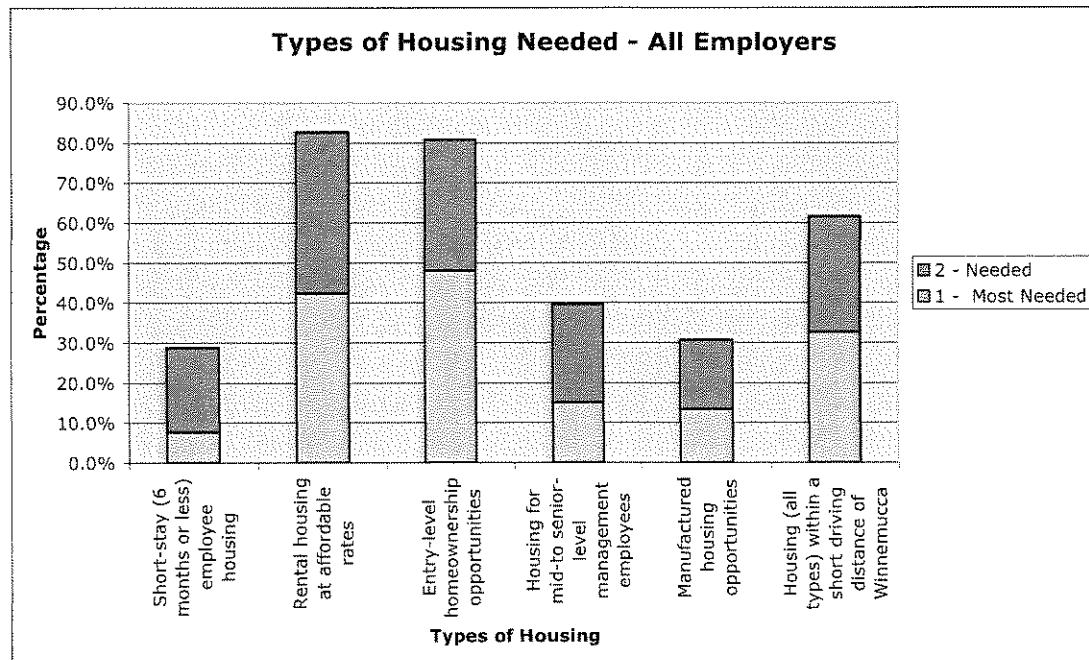
“Short-stay (6 months or less) employee housing (28.9%, 15 of 52).

Larger employers (10 or more employees) indicated somewhat more need, as compared to smaller employers, for short-stay rental housing (32.9% vs. 19.3% ranked this housing



type a “1” or a “2,” with “1” meaning “most needed”). Smaller employers cited more of a need for housing within a short driving distance of Winnemucca (64.5% vs. 57.2%), manufactured housing opportunities (32.2% vs. 28.5%), and interestingly, housing for mid- to senior-level management employees (50.0% vs. 23.8%).

**Chart 4: “What types of employee housing are most needed in the Winnemucca area?”**



Source: Winnemucca Employer Survey, March 2008

Based upon the survey responses, it appears that employers do not see manufactured housing as solving the identified housing needs in the community. Respondents also showed a specific interest in housing that is located close to jobs and services. Both of these responses have implications for future land use planning in the greater Winnemucca area.

### Private Sector Assistance

Given the identified housing need, we asked respondents, “Does your business offer housing assistance to employees?” Of the 54 respondents, only 1 business (1.9%) stated that it offered housing assistance to its employees, in the form of down payment assistance. No business stated that it is currently considering offering housing assistance to its employees.

## **Recommendations**

Finally, we asked employers for recommendations on ways that the community could address its housing needs. Here, the responses fell into three categories.

- **Reduce development standards and “red tape.”** Some respondents suggested that local governments examine ways to reduce the costs of development by relaxing design standards, extending infrastructure, or reducing “red tape.”
- **Promote housing development.** Related to this, respondents recommended that the community find ways to encourage and support more housing development. Responses included:

*Continue to support affordable housing projects;*

*Encourage and support efforts of private enterprise to provide housing;*

*Work with developer to build rental properties;*

*Attract more quality contractors, build more low cost rentals, subsidized rentals;*

*Encourage developers to build low to mid range houses; and,*

*Build something.*

- **Attract more public resources to Winnemucca and rural Nevada to support housing developments.** Survey respondents thought the community could be doing more to attract public resources to rural Nevada for affordable and workforce housing. One recommended “Seek partnering with other rural Northern Nevada communities to share ideas and trades people.” Get more active in raising [the issue of] the shortage of workforce housing in the rurals to the Nevada Legislature and other important related entities.”

Finally, one survey respondent recommended that new workforce housing be targeted to service employee working at “stores, fast food chains, and casinos where so many of our residents work. And another suggested that new rental housing be located within walking distance of stores and services.

## **Housing Needs Assessment of Winnemucca and its Surrounding Areas**

### **Chapter V: Recommendations**

The purpose of the Housing Needs Assessment is to better understand the impact of housing availability and affordability on the economic health and growth prospects of the City of Winnemucca and the nearby-populated portions of Humboldt County.

In this final section of the report, we provide a series of recommended actions for the Humboldt Development Authority and its Workforce Housing Committee (HDA WHC) based upon the information collected in the previous chapters. What are the identified service gaps in Winnemucca and its surrounding areas? How can the HDA WHC and local governments position themselves to better serve these housing needs? What resources can the HDA WHC and local governments draw upon to address service gaps?

As noted by interviewees, when entire segments of the workforce cannot afford housing, there are repercussions for the entire community. Interviewees thought that by making housing a universal issue—affecting friends, family, and neighbors—it would reduce the stigma associated with multi-family and subsidized housing in rural Nevada. A diverse inventory of housing is part of the basic infrastructure of a healthy community.

Interviewees also thought that City and County government should take a more proactive role in promoting affordable and multi-family housing development. They pointed out that the private market is not working properly to provide a range of housing options in the community.

Below, we briefly list a set of recommendations for the HDA WHC and local governments to consider as they plan housing for the next decade. Many of the proposed actions come directly from the comments of those interviewed and surveyed for this needs assessment report.

#### **1. Educate public officials and the general public about affordable housing and the link between affordable housing and economic development**

Interviewees saw a need for greater education about what affordable and workforce housing are, and the place of affordable housing in the local economy. Advocates, planners and public officials need to do a better job at describing the crisis in housing availability and affordability in Winnemucca, and the impact of housing on quality of life, on schools, and on the ability to attract new businesses to the region.

There are also many myths about affordable housing that circulate in the community: affordable housing lowers property values in the surrounding neighborhood; the occupants of affordable housing are different from you and me; affordable housing is “the projects.” Advocates, planners and public officials can dispel these myths by

accurately portraying the “face” of affordable housing: service employees, seniors on a fixed income, working families.

The HDA WHC can take the lead in this effort by sharing the findings of this report in the media, at community and business association meetings, and with public officials. The HDA WHC should also look at effective models already in place around the country for educating local residents and public officials about the need for affordable housing in the community and promoting pro-active housing policy.<sup>7</sup> It is worth noting that many Winnemucca residents are already sympathetic to the need for more affordable housing serving a range of income levels. At a HDA WHC Visioning Workshop held in February 2007, participants indicated that the greatest housing need in Winnemucca was for those earning less than 60% of Area Median Income or \$39,660 for a family of four, which is just above the “very low income” threshold as defined by HUD. One interviewee noted that if we stay away from labels, like “low income,” and discuss instead the individuals in the community who would benefit from affordable housing— school teachers, waitresses, bank tellers— we would be more likely to generate broad support for new housing initiatives.

## **2. Promote infill development and higher densities in the downtown area**

Infill parcels within Winnemucca and the urbanized portions of Humboldt County are ideal locations for affordable and workforce housing, because of their proximity to jobs and services. Infill projects, with access to existing City infrastructure (sewer, storm water, water, gas, electricity, and roads) are potentially less costly to develop and less of a drain on public services. In contrast, we heard repeatedly in our interviews about the enormous potential cost to extend sewerage to the populated portions of Grass Valley in order to protect ground water. Affordable infill housing projects can also be important anchors in distressed neighborhoods, removing blight and re-knitting the urban fabric. Affordable housing is often the nicest developments in a neighborhood; rather than lower property values, these development can spur additional private investment.

However, infill parcels are often more difficult to develop than cheap land at the edge of the urban area because of land cost and speculation, the possible need for zoning approvals and regulatory relief, difficulty with parcel assembly, messy title and utility issues, odd-shaped parcels and other development constraints, and potential neighborhood opposition.

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<sup>7</sup> See: Silicon Valley Leadership Group, which is made up of business-related organizations promoting affordable housing at <http://www.svmg.org/index.html>; Envision Utah, another stakeholders effort at <http://www.envisionutah.org/index.phtml>; the Non-Profit Housing Association of Northern California (NPH) “Community Acceptance Toolbox” at <http://www.nonprofithousing.org/actioncenter/toolbox/acceptance/index.atomic>; and the Fort Collins, Colorado “Faces/Places of Affordable Housing” at <http://www.ci.fort-collins.co.us/affordablehousing/faces-places-posters.php>

The HDA WHC and local governments can play an important role in promoting infill housing development, by inventorying available vacant or underutilized parcels in the City, acquiring or swapping parcels to consolidate buildable sites, and removing regulatory barriers to infill development, such as site development standards (set-backs, parking ratios, etc.) that might be more appropriate for suburban subdivisions. Interviewees thought that underutilized mobile home parks in the City of Winnemucca might be good candidates for new infill development.

### **3. Explore single-family home rehabilitation as a revitalization strategy**

Another promising neighborhood revitalization strategy is housing rehabilitation. Interviewees thought that there might be opportunities to fix up older homes in the downtown to make them available to first-time and low- to moderate-income homebuyers. Rehabilitation is generally much less costly than new construction. It can be an effective strategy for increasing homeownership rates, reducing blight in downtown neighborhoods, and supplying much needed affordable housing.

A variety of public funds are available for housing rehabilitation, including HUD HOME and state Low-Income Housing Trust Funds, Community Development Block Grants funds, and weatherization funds through the Nevada Housing Division. Rural Nevada Development Corporation (RNDC), based in Ely, currently operates a Homeowner Rehabilitation Program and Weatherization Program in rural Nevada. The HDA WHC could explore partnering with RNDC to bring these housing services to Winnemucca.

### **4. Explore opportunities to attract new multi-family development to Winnemucca**

New and rehabilitated multifamily housing is sorely needed in Winnemucca. However, the lower incomes of rural renter households do not support new housing production, particularly without rental assistance.

Interviewees identified senior and supported housing as a particular need in Winnemucca.

The primary mechanism for producing new affordable rental housing in rural Nevada is the 9% Low Income Housing Tax Credit. Unfortunately, Nevada's 15 rural counties receive only about \$550,000 annually in competitive 9% tax credits, which is enough to create about 40 new units of housing—this is one new rental project a year. The tax credit is typically packaged with other public and private funds in order cover the entire development cost, including the USDA-515 Loan Program or USDA-538 Loan Guarantee Program, state HOME and Housing Trust Funds, and conventional debt. Even with these many layers of financing, the margins may be still too thin to make a new rental project pencil. And the tax credit rents, in the \$650 to \$750 range for a one- or two-bedroom apartment respectively, may be too high to serve very low-income families and seniors, without additional rental assistance.

The HDA WHC and local governments could help kick-start private, multi-family housing development in Winnemucca by bringing additional resources to the table for a pilot project. Such resources could include:

- Free or low-cost land through the Southern Nevada Public Lands Management Act (SNPLMA) (See below.);
- A property tax exemption as allowed under NRS 361.082, or reduction in property taxes, for rent restricted affordable housing developments;
- Project-based rental assistance, in partnership with the Nevada Rural Housing Authority, in order to provide housing to very low income renters, who would not ordinarily be served under the tax credit program; and,
- A reduction in the cost of hook-up fees or assistance in financing the fees over an extended period.

The Clark County BLM Pilot, described below, is a good example of how a local government can partner with private developers to bring desperately needed affordable housing to one's community.

Some of these mechanisms have already been used in Winnemucca on previous multi-family housing projects. For instance, the developer of one affordable housing project pays reduced property taxes based upon the reduced assessed value of the property as an income-restricted development. Another developer was allowed by the City to repay the cost of sewer and water hook up fees over a five-year period.

The City might also want to consider instituting hook-up fee structure that assesses multi-family developments at a lower rate per unit than detached single-family homes, based upon typically lower levels of consumption.

##### **5. Explore downpayment assistance and below-market rate financing for first-time homebuyers**

Humboldt County did not experience the type of hyperinflation in home values that occurred in Washoe and Clark County in 2004 through 2006. While the cost of a detached single-family home in Humboldt County has gone up, the financing gap in 2007 to place a low-income households (at 80% of area median income, or \$49,040 for a family of four) into a median price home at \$168,000, was only \$10,244. This gap is significantly lower than the financing gap to homeownership in urban Nevada. It is attainable.

Potential sources of gap financing include for downpayment assistance and below-market rate subordinate debt include HUD HOME funds, state Low-Income Housing Trust Funds, and Federal Home Loan Bank of San Francisco Affordable Housing Program and

AHEAD Program funds. In addition, the Nevada Housing Division, Nevada Rural Housing Authority and USDA-RD each offer below-market rate mortgage products and downpayment assistance.

The HDA WHC could partner with these agencies, or with a non-profit organization like RNDC, to bring these gap financing products to Winnemucca, with the goal of creating 5 to 10 new affordable homeownership opportunities a year.

**6. Expand financial literacy training and homebuyer counseling**

Further, the HDA WHC could explore ways to better prepare first-time and low- to moderate-income homebuyers for homeownership, through homebuyer training, credit counseling, and the creation of Individual Development or Savings Accounts, which provide matching funds for down payment. Both the Nevada Rural Housing Authority and RNDC operate homebuyer training and savings programs. The HDA WHC should also explore partnerships with local banks to bring financial literacy and credit counseling programs to Winnemucca.

**7. Explore the use of free and/or low-cost Bureau of Land Management land available through the Southern Nevada Public Lands Management Act**

The interviewees identified lack of affordable or developable land as an important barrier to the production of affordable housing.

We believe that the BLM land program for affordable housing—a product of the Southern Nevada Public Land Management Act of 1998—could be an important resource for the promotion of affordable single- and multi-family housing in Winnemucca.

The HDA WHC could work with the local government or the Nevada Rural Housing Authority to identify BLM land that is near residential development or within the path of growth and that is developable, taking into account topography, zoning, availability of water rights, and infrastructure. The Act allows land to be transferred directly to local governments or to a local housing authority for the production of bona fide affordable housing projects, as determined by HUD.

As noted above, low-cost land alone is sometimes not enough to provide the economic incentives to develop housing in isolated rural areas. The HDA WHC could also assist local government in packaging additional subsidy and low-cost financing to make such projects viable.

The Clark County Affordable Housing BLM Pilot Program is one example of how a local government can promote the development of affordable housing by bringing resources to the table and reducing development barriers. In Spring and Summer 2006, the Clark County Community Resources Management Department released two Requests for Proposals (RFPs) seeking private developers to build new affordable rental housing on

lands that would be conveyed through the BLM SNPLMA process described above. Prior to the release of each RFP, County staff devised the project concept (building type, number of units, affordability requirements) and completed the zoning and public review process for each parcel. The County also set aside HUD HOME funds in an amount sufficient to bridge the financing gap in the projects and created a “Red Flag” team among County departments in order to speed the review and permitting process once the developers were selected.

The first BLM Pilot RFP was issued by Clark County in March of 2006, to develop 105 units of affordable or mixed-income senior rental housing on a 5-acre BLM parcel. The second RFP was issued in May of 2006, to develop 180 units of affordable or mixed-income family rental on a 10-acre BLM parcel. The County anticipates additional development projects, including affordable homeownership projects in the next year.

#### **8. Explore the use of Land Trusts to preserve the affordability of housing for future generations**

A Community Land Trust (“CLT”) is a mechanism for ensuring the long-term affordability of housing, particularly in strong housing markets where appreciation is a problem. CLTs have also been used effectively to assist owners of mobile homes to collectively purchase their trailer parks in order to fix them up and preserve their use and affordability.

CLT refers to the process of separating land from building (house) for the purpose of transferring title to the house without selling the land. It also denotes the nonprofit organization that holds title to the land and manages the ground leases on community land trust properties.

Homeownership becomes more affordable because the transfer of title to the homeowner does not include a fee interest in the land; the sales price is based on the value of the improvements, without the value of the land. The land is owned by a 501(c)(3) corporation, which provides a 99-year ground lease to the homeowner.

The ground lease has a resale provision that ensures that the property will be affordable in perpetuity. The home must be sold to an income-eligible buyer at an affordable price. The resale provision will typically provide a reasonable return to the homeowner, but the appreciation may be far less than standard market appreciation. The resale provision will also typically provide a right of first refusal in favor of the CLT.

From the standpoint of the buyer, the CLT home provides homeownership in a market where the alternative is to rent or move away. From the standpoint of the local government, public funders providing subsidy, and affordable housing advocates, the CLT provides a way of creating a permanent affordable housing stock.

The Nevada Rural Housing Authority is currently creating a statewide CLT, and



developing the legal mechanisms and financing tools for CLT projects. The HDA WHC could explore partnering with NRHA to develop a CLT model for Winnemucca, perhaps in as part of a pilot project on BLM land.

**9. Develop innovative policies to improve the quality of manufactured housing developments in Humboldt County**

According to interviewees, there was significant overbuilding in the manufactured housing sector during the last economic boom period in the mid-1990s. Much of this development occurred outside the City in Grass Valley, on large lots with individual wells and septic. Interviewees discussed the problem of foreclosures and abandonment that followed in the late 1990s, as the population declined.

Still, manufactured housing makes up almost half of the County's housing stock. It costs significantly less than stick-built, single-family homes. Any affordable housing plan in Humboldt County will need to include manufactured housing as a component.

The HDA WHC could assist in improving the quality of living conditions for residents of manufactured housing. For example, the Clark County Housing Authority decided to operate its own mobile home park for seniors in order to offer hook-ups to seniors at low-cost and ensure a high level of physical upkeep and services. Other communities have explored the options of land trusts or cooperatives to allow mobile home dwellers to co-own the land under their units, provide for common grounds upkeep, and prevent displacement as land becomes more valuable.

The HDA WHC could also explore the potential cost savings of using out-of-state manufactured housing versus local stick-built housing for affordable single-family home development. Currently, manufactured housing is available from factories in California and Idaho. However, even with the extra transportation cost, there still may be savings associated with manufactured housing development in the rural Nevada. As noted in the report, the skilled trades and materials are often not available locally, creating a distinct advantage to manufactured housing. A manufactured unit can also be developed more quickly, which is a plus when considering the boom/bust economies in the counties dependent upon mining.

One interviewee noted that a regional modular homebuilder was investigating relocating its operations to Winnemucca, which would provide multiple economic and housing benefits locally.

The HDA WHC should also investigate a number of national initiatives to improve the quality of manufactured housing. The I'M HOME, or Innovations in Manufactured Homes initiative, through the Corporation for Enterprise Development, supports programs across the country that are helping families who choose manufactured homes. To be good investments for these families, manufactured homes must be well built and installed on a proper foundation once they reach their destination. Their financing must

be fair and affordable. Homeowners should own, or have long-term control over, the land underneath the homes. And, finally, when it's time to move, the homeowners must be able to sell the homes at a fair value. (See: <http://www.cfed.org/>.)

ROC USA ("resident owned communities") is a national network of technical assistance providers that help owners of manufactured housing to purchase their communities. (See: <http://www.rocusa.org/index.htm>.)

#### **10. Explore ways to reduce energy costs in housing**

Rising energy costs are having a significant impact on housing affordability. The HDA WHC and local governments should promote energy efficiency and renewable energy sources such as solar and geothermal in all future affordable housing projects.

The HDA WHC should also explore the low-income housing weatherization program through the Nevada Housing Division as a way of reducing energy costs for low-income homeowners in Winnemucca.