



**Testimony of
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Committee on Banking, Housing, and Urban Affairs
U.S. Senate

Hearing on:

“Affordability and Accessibility: Addressing the Housing Needs of America’s Seniors”

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Chairman Brown, Ranking Member Toomey, and Members of the Senate Committee on Banking, Housing, and Urban Affairs:

Thank you for inviting me to testify today. My name is Audra Hamernik, and I am the President and CEO of Nevada HAND. Nevada HAND is the state of Nevada's largest nonprofit affordable housing organization dedicated to the financing, development, construction, and management of high-quality affordable apartment communities in Southern Nevada. At Nevada HAND, our mission is to improve the lives of low-income individuals by providing affordable housing solutions and supportive resident services. Over the past 29 years, Nevada HAND has constructed 35 affordable apartment communities that today house over 8,000 residents in over 4,700 units of high-quality affordable rental housing. As a nonprofit affordable housing organization, we are committed to providing positive living environments, where healthy, engaged residents can take pride in their communities. In our portfolio, we have a total of 11 family communities, the only two affordable assisted living communities in Nevada, and 22 independent senior communities that house over 2,900 seniors.

For over 25 years, I have worked in real estate, financial services, and social impact investing and lending. From running my own business, leading a state Housing Finance Agency (HFA), and now leading a non-profit, I have seen first-hand the importance of advancing opportunity for the underserved through public-private partnerships that expand housing and foster community and economic opportunity. Affordable housing is complex, nuanced, and an often-misunderstood issue that affects individuals, families, communities, and the economy. We have been talking for years about the huge demand for affordable housing for seniors as the baby boomer generation passes through retirement. Millions of seniors already suffer from the lack of an affordable place to live, and across the country, more than 4 million people above the age of 65 live in poverty. Of those individuals, only 1.6 million receive rental subsidies from HUD.¹ The key to unlocking the door to opportunity and addressing housing needs for seniors and others alike, is affordability and accessibility.

Even before the pandemic, the country was in the grips of a pervasive affordable housing crisis. Although the pandemic offered lessons on how to better support low-income households during a crisis, the focus is now shifting from emergency support to sustainable solutions.

The State of Affordable Housing:

Housing affordability will remain a key issue as the nation's rental housing market tries to stabilize from a lingering pandemic and housing stock issues. Demand for apartments and

¹ Anderson, Bendix. 2017. "Seniors Have the Steepest Housing Challenge" https://www.multifamilyexecutive.com/design-development/seniors-have-the-steepest-housing-challenge_o#:~:text=Millions%20of%20elderly%20people%20already,receive%20rental%20subsidies%20from%20HUD.

single-family homes continue to outpace supply, which ultimately drives competition and hurts housing affordability.

Rental housing is a vital component of the entire housing system, affecting people of all ages and income levels. Every day, ten thousand of our nation's seniors turn 65 years of age. Americans are living longer and demonstrate the continual need for investment in multifamily housing stock.² Of the 2,900 seniors who live in a Nevada HAND community, 65% are female, and over 60% are 70 years of age or older.

Across the United States, affordable housing continues to become increasingly difficult to access for many Americans. Nearly half of the 44 million renter households in the U.S. are housing cost-burdened, meaning they spend more than 30% of their income on housing.³ Nevada has a shortage of roughly 84,000 affordable units for extremely low-income renters.⁴ This has created an environment of housing instability and often forces households to make tough choices between rent and groceries, transportation, utilities, and other necessities.

A lack of affordable housing and a limited scale of housing assistance programs have contributed to the current housing crisis and is a leading cause of homelessness. In Nevada, we have over 3,400 unsheltered homeless individuals every night. When looking at solutions to this chronic problem, permanent supportive housing (PSH) is a proven intervention that provides affordable housing assistance with case management and wraparound services that adequately connect people with community-based health care, treatment, and employment services. The connection between housing and health outcomes has become more prevalent in recent years, and by using Medicaid funds for tenancy support services, more individuals can secure and remain in stable housing, leading to improved health outcomes and a reduction in care costs. PSH has been shown to lower public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons.

Affordable Housing Barriers:

There are a broad range of barriers that hinder the production and efficiency of affordable housing developments. For Nevada, these barriers include the current level of capital investment in existing resources, the availability of long-term rental assistance, land availability, Medicaid funds for tenancy support services, and more recently, supply chain challenges.

² Oneil, Thomas. 2022. *The Need to Keep Building Multifamily Housing*. <https://rejournal.com/the-need-to-keep-building-multifamily-housing/>

³ National Low Income Housing Coalition. 2021. *The Gap: A Shortage of Affordable Homes*. Washington, DC: Author. See: <https://nlihc.org/gap>

⁴ National Low Income Housing Coalition. 2021. *Out of Reach: The High Cost of Housing*. Washington, DC: Author

Underutilized Existing Resources:

As the nation recovers from the pandemic, we must turn our attention to increasing investments in long-term solutions that address the underlying and structural reasons for our nation’s housing crisis. Nevada HAND has been able to build affordable, high-quality communities through the Low-Income Housing Tax Credit program, HOME funds, National Housing Trust Fund, Section 202 and 811, and other local, state, and federal allocations. Expanding and creating more efficient pathways to those funds is imperative if we are to lessen this shortfall.

The Housing Credit is the single most important federal resource available to support the development and rehabilitation of affordable housing. It is currently financing approximately ninety percent of all new affordable housing development.⁵ The budget proposal that was released on Monday includes a proposed \$50 billion to increase affordable housing supply, including an additional \$10 billion for the Housing Credit.⁶ The Housing Credit must be part of any solution to increase supply.

There are many tools in the affordable housing toolbox that can be utilized to advance affordable housing solutions throughout Nevada, and throughout the country. It is essential to address the affordable housing crisis by investing in the National Housing Trust Fund (HTF), the Section 202 Supportive Housing for the Elderly Program, the Section 811 Supportive Housing for People with Disabilities, and the HOME Investment Partnerships program.

Long-term Rental Assistance:

Across the country, 36% of households rent their home. In Nevada, 45% of all households are renters, and they bear the brunt of the shortfall in affordable homes.⁷

In our portfolio at Nevada HAND, the average rent for our residents is approximately \$733 a month. This amount is less than half of the current median rent in Las Vegas, which has risen to \$1,600 a month.⁸

Throughout the past few years, at any given time, Nevada HAND has never had more than a handful of vacancies, and we often don’t have any at all. When Nevada HAND is mentioned in the news, we see an immediate correlation between obtaining earned media and our organization receiving hundreds and sometimes thousands of inquiries from Nevadans seeking an affordable place to live. Since 1961, rents in the United States

⁵ Local Initiatives Support Corporation. 2022. Intro to the Low-Income Housing Tax Credit.

<https://www.lisc.org/our-resources/resource/low-income-housing-tax-credit/>

⁶ https://www.whitehouse.gov/wp-content/uploads/2022/03/budget_fy2023.pdf

⁷ Nevada Housing Coalition. 2018. *Housing Gap for Nevada’s Low Income Renters*.

<https://housing.nv.gov/uploadedFiles/housingnv.gov/content/programs/LIHD/Nevada%20Housing%20Gap20180105.pdf>

⁸ Moeller, Joe. 2022. “Median rent in Las Vegas hits over one-third of average income.” 8 News Now

<://www.8newsnow.com/news/local-news/median-rent-in-las-vegas-hits-over-one-third-of-average-income/>

have risen by 61%, far outpacing the 5% increase in income. This shift has led to a disparity between what people earn and what they have available to spend for their subsequent housing costs and utilities. This is one of the leading factors that has led to 10.4 million renter households paying more than half of their income towards housing.⁹

Bridging the gap between rents and income is critical to solving the affordable housing crisis. Long-term rental assistance is a crucial tool for helping low-income individuals and families be able to afford a decent, stable home, but 3 out of every 4 households who qualify for rental assistance do not receive it due to an inadequate amount of vouchers.¹⁰

Housing Choice Vouchers (HCV), Project Based Section 8 (PBS8), and 202/811 are critical federal rental assistance programs for helping the housing needs of low-income households. What we see is that funding for rental assistance is not equal across states. Currently, federal housing programs such as the Low-Income Housing Tax Credit and the HOME Program are allocated by state population. Funding for rental assistance programs is not allocated based on population. Rather, these critical federal resources are based on long-term contracts already in place, properties already built, and utilization rates from the prior year. With federal rental assistance programs having not been adjusted for population in decades, cities with growing populations like Las Vegas, Phoenix and Houston receive significantly fewer federal resources than cities that have experienced a significant population loss.

Supply Chain Challenges:

Across the country, we continue to see supply chain problems that are causing construction delays that are impacting every facet of the industry. At Nevada HAND, we currently have over 700 units of affordable housing under construction. According to the National Association of Home Builders, building 100 affordable apartments generates \$11.7 million in local income, \$2.2 million in taxes and other revenues for local governments, and creates 161 local jobs. The market needs more housing, but the impact of chronic production bottlenecks, including ongoing price increases for lumber and OSB are being felt by builders like us. While the pandemic may have transformed supply chain disruptions, it did not create the underlying supply constraints in the housing market. New housing construction has barely kept pace with the growth in housing demand, particularly in western states.¹¹ As an affordable housing developer, we are building as fast as we can with the resources available to us. As Nevada's largest affordable housing developer, we are proud of the 4,700 units in our portfolio, but we see every day that it is a drop in the bucket compared to the 84,000-unit gap in Nevada.

⁹ National Low Income Housing Coalition. 2020. *The Gap: A Shortage of Affordable Homes*. Washington, DC: Author.

¹⁰ Rothstein, R. (2018). *The Color of Law*. Liveright Publishing Corporation.

¹¹ Hermann, Alexander. 2019. *Where Hasn't Housing Construction Kept Pace with Demand*. Joint Center for Housing Studies of Harvard University. <https://www.jchs.harvard.edu/blog/where-hasnt-housing-construction-kept-pace-with-demand>

Land Availability:

In Nevada, we face a challenge that exists in many areas across the nation – land availability. Simply put, it’s a supply and demand issue, and what’s happening is prices are going up and affordable housing is becoming even more out of reach for people in Nevada. Zoning, financing, and land availability are key components that enable these developments to come to fruition. In many areas across the nation, restrictive zoning and land-use regulations are barriers to affordable housing development. In Nevada, one of most significant barriers is available land. Over 80% of the land Nevada is owned by the federal government. We are running out of available and affordable land, and developers are left with the option to build-up or to build-out. Senator Cortez Masto has introduced a bill, the Southern Nevada Economic Development and Conservation Act, that not only prioritizes long-term conservation and economic development efforts, but also would spur affordable housing development in our region.

Supportive Resident Services for Seniors:

At Nevada HAND, we don’t just build homes -- at each of our communities, our on-site staff provides life-enriching resident services. These services help our residents take advantage of opportunities and resources for financial stability, education, health and wellness and community engagement. For our independent seniors, we foster a sense of community while providing individualized services that promote mental, physical, and emotional well-being. We want our seniors to age in place with dignity. For our seniors living in assisted living, we ensure a level of care responsive to the range of their healthcare needs. For seniors, we provide on-site food pantries, transportation services, wellness fairs, vaccine clinics, health and wellness programs, such as our Silver Sneakers walking club, and much more. With funding from NeighborWorks America, we are about to launch our I-Ready program, that promotes literacy for the residents that we serve. Through application assistance in 2021, our on-site staff helped residents to secure \$1.5 million in rental assistance dollars. Our Resident Services team is actively involved in the lives of our residents, conducting collaborative assessments with residents to help them access programs and services that most effectively meet their individual needs.

Conclusion:

Addressing the affordability and accessibility of our nation’s housing stock is key to address the housing needs of our nation’s seniors. The tools in the toolbox work, and when appropriately funded and utilized, they have the capabilities of solving this crisis.

Thank you for the opportunity to testify today. I look forward to your questions.