

# It Takes A Village to Create A Village

## **Nevada Housing Division**

Special Needs Housing: Combating Homelessness

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### **It Takes A Village to Create A Village**

While a home is made up of the walls and roofs that shelter us from the elements, it is so much more, also representing security and personal safety. Most of us have no experience with homelessness, but for those who do, the loss of security and living in constant fear can lead to extreme isolation and long-term negative consequences that are detrimental to physical and mental health. And isolation, as we now see with the COVID-19 Stay-At-Home Order, can be devastating to our psyches. Money alone does not provide a foundation for recovery. In addition to shelter, people need a place to feel safe, to regain their confidence and to share their experiences.

### **An Innovative Partnership**

To address these needs, the Community Foundation of Western Nevada, the Nevada Housing Division (NHD) and other governmental entities, businesses and non-profit organizations came together in 2018 to create the [Village on Sage Street](#), a dorm-style bridge housing community located between 4th Street and the railroad tracks east of downtown Reno.

The Community Foundation settled into the role of project lead and fundraiser, working toward the \$9 million price tag; the City of Reno contributed four acres of suitable land, which will be held by the new Community Housing Land Trust; and Volunteers of America (a non-profit organization specializing in homeless issues) took on management of the completed facility. Private developers, contractors, businesses, the Economic Development Authority of Western Nevada (EDAWN), Community Foundation donors, and generous community members all contributed to make the Village on Sage Street a reality.

The modular structures that created the Village were previously used in Anchorage, Alaska, as a man camp for seasonal oil workers, then in mining camps in Wyoming. This meant that acquisition of these tested units could be done affordably and quickly. When the project began, NHD issued a \$500,000 loan at 0% interest, which has since been paid back through donations. NHD also issued a \$2 million line of credit so that the project could be finished. In addition to the money, NHD sent an inspector with the rest of the planning committee to Wyoming to inspect the units before they were purchased. NHD also worked in lockstep with the city to get proper permitting and help with all of the regulatory issues.

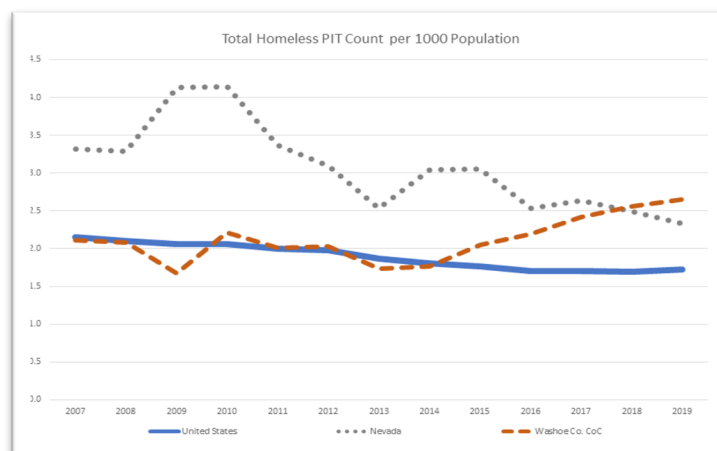
"Without the Nevada Housing Division, the Village on Sage Street simply would not have been possible," said Christopher Askin, President & CEO of Community Foundation of Western Nevada. "Their very early participation in traveling to Wyoming to verify that the modular housing met Nevada standards, along with their loan funding during our construction period, made all the difference.

The community will hold up to 216 community members struggling with homelessness, providing them with a safe, secure place to live while they work toward permanent housing. The rooms, which include a built-in bed, closet, desk and small television, rent for \$400 a month.

**Boom to Bust**

Reno's economy had been expanding rapidly since 2014. In September of that year, a tax-break concession was announced, which brought the Tesla Gigafactory to the region, along with many other new businesses. Reno's unemployment rate fell from 7 percent in September 2014 to a record low of 2.7 percent in November 2019.<sup>1</sup> Accompanying this expansion, both home prices and rents increased, while vacancy rates decreased. For example, from the fourth quarter of 2015 to the fourth quarter of 2019, average rents increased 54%; and multi-family vacancy rates hit a record low of 1.2 percent in 2017.

In addition, demolished motels that have traditionally been housing of last resort for lower income households were subject to a blight removal initiative beginning in 2015 by the City of Reno. The city campaign added on to an already considerable level of motel demolition in the private sector. In the 2014 Point-in-Time Count, the Reno area Continuum of Care counted 769 homeless individuals, but by the 2019 count, 1,256 individuals were counted — up 60 percent. As can be seen in the chart below, homelessness per thousand population trended mostly downward with the national rate from 2007 until 2015. In 2015, the Reno rate started increasing. By 2019, the Reno area Continuum of Care reported a rate of point-in-time homeless of 2.6 per thousand, for the first time exceeding the rate in Las Vegas.



When the COVID-19 shutdown occurred, Reno was hit hard with more than 36,000 citizens out of work, essentially overnight. Nevada is now projected to lose the greatest percentage of its private-sector workforce in the country. Currently, 25.3 percent of Nevada workers are reported to be out of work, according to the Bureau of Labor Statistics.<sup>1</sup> A recent study released by the National Bureau of Economic Research states that as many as 42 percent of the jobs that have been lost during this crisis are likely to be lost permanently. If these staggering numbers continue or worsen, Nevada will likely find greater need for similar bridge housing such as Village on Sage.

### **Living in the Village**

As Volunteers of America (VOA) shares on its website, "Our goal for the Village on Sage is that this bridge housing is a hand up, not a handout or a profit maker. A person earning \$9 an hour will be able to afford the \$400 monthly rent and achieve savings goals. Any single adult who passes a background check and has an income of approximately \$1,320 to \$2,735 per month will meet the income qualifications for residency. All residents will be provided with financial counseling. While we expect the Village on Sage will be bridge housing, there is no time limit on the length of residency." The Village also has a convenience store, shared bathrooms, onsite laundry, recreation space with gym equipment, a meeting room and an outdoor gathering area and it is located near to social services agencies. Full electricity, heating, cooling and parking are all included in the \$400 rent; none of these services are subsidized by taxpayer dollars.

### **Making an impact**

With the construction of the Village complete, the community impact will be determined by the lodgers themselves — how their economic picture and quality of life improves as a direct result of living in the Village on Sage and their achievement of the financial goals they set out for themselves.

"The impact of Village on Sage Street goes beyond the 216 lives of its residents," Askin said. "It created and strengthened vital community relationships, bringing together many groups with a shared vision of a better Northern Nevada and the potential we have to do more good things together."

### **By the numbers**

- 160 people moved into the Village in 2019
- 108 lodgers (67.5%) earn income through employment
- Average age of lodgers is 48.7
- 9% of lodgers are veterans
- Average income is \$1,798/month
- 23% female, 77% male
- Average credit score is 470
- 2% of lodgers own vehicles

"Steve Aichroth and team at the Nevada Housing Division provided unapparelled support and encouragement, enabling us to take the project from vision to reality," Askin added.

The NHD team is proud of its involvement in this creative and collaborative approach to a very challenging issue. We are hopeful it will spur other projects of a similar nature throughout the state.

1. U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics, not seasonally adjusted. <https://www.bls.gov/lau/#data> accessed 6-23-2020.



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Village on Sage Street Photos  
Courtesy of Community Foundation of Western Nevada



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