

Minutes of the Nevada State Legislature
Senate Committee on Government Affairs
Date: April 25, 1979
Page: One

Present: Chairman Gibson
Vice Chairman Keith Ashworth
Senator Dodge
Senator Ford
Senator Kosinski
Senator Raggio

Also Present: See Attached Guest Register

Chairman Gibson called the thirty-seventh meeting of the Government Affairs Committee to order at 2:00 p.m.

Chairman Gibson was asked to reconsider SB-444 at the request of Anne Rollins, Registrar of Voters in Washoe County. The bill was amended and passed out of committee on April 18, 1979. (See Meeting No. 33 for details) Russ McDonald, Washoe County, was also present with Mrs. Rollins.

Mrs. Rollins was concerned about the amendments to the bill and her primary concern was with the absent ballots being included with the mailing precincts.

Senator Ford stated that the amendment specifically deletes the absent ballots from the bill and noted that the bill is restricted to the primary and general election in even number years.

Senator Kosinski was concerned about the size of the absent mailing precincts in Sparks. The Senator stated that the mailing precincts will be affected by this bill but not the absent mailing precincts.

Mrs. Rollins stated that the Gerlach and Wadsworth mailing precincts want to become regular precincts. This is a problem for the registrars office in transporting the ballots into our office. In Wadsworth, the Chairman of the Board was also the Justice of the Peace and the Deputy Registrar. This caused problems. Mrs. Rollins continued that they have 30 drop boxes now and if they comply with this bill they will have an additional 250 boxes. Mrs. Rollins suggested that the mailing precincts be deleted from the bill also.

At this time Mrs. Rollins passed out copies of statistics on the voting precincts. (See Attachment #1 and 1A)

Senator Raggio didn't see the need for the bill. The results of an election is published within three days of the election and the extra work involved in order to know the results sooner is too costly.

There was no action taken on this bill during this meeting.

AB-210 Revises certain disciplinary and appeal procedures for classified state employees.

Minutes of the Nevada State Legislature

Senate Committee on Government Affairs

Date: April 25, 1979

Page: Two

Bob Gagnier, Executive Director of the State of Nevada Employees Association, testified to the committee in favor of this bill. Mr. Gagnier went over the sections in the bill that had significant changes. One change was noted on page 2, line 14 where the authority to reduce an employees grade or salary is provided. Mr. Gagnier explained that this needs to be clearly spelled out in the statutes in order for the provisions to be followed. Another addition is the additional latitude given to the Hearings Officer to modify or set aside action if he feels that there is sufficient evidence to do so.

The Hearings Officer may also request reasonable copies of documents to further investigation.

David Kladney, legal counsel for S.N.E.A., concurred with Mr. Gagnier's testimony and indicated that having these items clearly spelled out in the statutes is essential.

Senator Raggio asked Mr. Kladney about the language in the bill on page 3, line 32. A "reasonable" number of copies. The Senator felt that this should be changed to relevant.

Mr. Kladney did not object to the word change and felt that it would be more appropriate to use relevant. Mr. Gagnier did not object to changing "reasonable" to "relevant".

Roger Laird, Employee Officer for the State Personnel Division, testified in support of the bill but felt that the Personnel Advisory Commission officer should have the same abilities that this bill grants to the Hearings Officer.

Mr. Gagnier did not object to extending the language to include the Personnel Advisory Commission's officer.

Senator Dodge moved "Amend and Do Pass" on AB-210
Seconded by Senator Keith Ashworth
Motion carried unanimously.

Chairman Gibson assigned Senator Raggio to work on the amending language as noted above.

AB-675 Adds provisions concerning revitalization and redevelopment to charter of City of Sparks.

Jay Milligan, City of Sparks, introduced the committee to other council members. Russ McDonald was present as a legal representative.

Mr. Milligan discussed the bill in two sections. First, changes noted on page 14 and 15 were recommendations of bond counsel to clear up the law.

Those changes were approved, unanimously, by the city council.

Second, the bond provisions were considered special legislation and, therefore, unconstitutional. The general law was addressed in the city charter in accordance with NRS so that the bonds would be strong. The Washoe county unified school district has approved this language and the business people in Sparks have given their support to the revitalization plan for the downtown area. Mr. Milligan showed the committee a large map indicating the plans and pictures of what will occur in the revitalization program.

Alex Vittinghoff, Sparks Chief Planner, was available for any technical questions on the revitalization program but offered no testimony.

Russ McDonald, Washoe County, stated that if the county redevelopment law was not acceptable by the courts the language in AB-675 will be used as a back-up and allow a vehicle for the acquiring of bonds. Mr. McDonald indicated that the redevelopment in San Francisco was accomplished with the same language as proposed in this bill. Mr. McDonald read to the committee some amending language for AB-675. (See Attachment #2)

The amend suggestions were quite lengthy and the committee did not take action on the bill during this meeting.

SB-497 Authorizes counties to provide money to lending institutions to be used to finance housing for persons of low or moderate income and to issue special obligations.

Richard Rose, representing Rauscher Pierce Refsnes, Inc. a securities industries, testified to the committee in support of this bill. Mr. Rose presented each committee member with a portfolio on the history of his company earlier in the week.

Mr. Rose stated that Arizona has a similar bill for low cost housing and Senator Raggio asked Mr. Rose at this point if Arizona also had a State Housing Authority. Mr. Rose stated that he did not think they had a housing authority.

Senator Dodge stated that the legislature set up a housing authority in Nevada to provide for low cost housing and asked Mr. Rose to indicate where this bill would provide something that isn't addressed in the housing authority.

Mr. David Smith, Associate with Rauscher Pierce Refsnes, Inc. stated that the Nevada Housing Authority can't address all the problems that the state faces. The authority has been limited in its capacities.

Senator Dodge stated that SB-127 enlarged the powers and duties of the housing division because it was limited and was a new program in Nevada.

Mr. Smith stated that their bill, SB-497, was written without knowledge of SB-127.

Senator Dodge stated that the housing authority can service 95% of the loans in the rural area. Mr. Smith reiterated that this was not the case when they proposed SB-497.

Mr. Smith noted that prior to submitting the language for SB-497 they talked with many loan institutions and felt that there was a need for the counties to be able to get loans from lending institutions for low cost housing.

Senator Raggio stated that when he was asked to introduce the bill the services provided by this bill would fill a void and did not hinder the effectiveness of the State Housing Authority. The Senator continued that the bill should have two more provisions for safeguards. (1) the income limitation should have a ceiling, it should be approximately \$20,000, based upon the gross income on the federal income tax form. If it is too high it will conflict with the private market. (2) If the bill is approved there should be a loan limit, \$25 million for the two large counties of over 200,000 and \$10 million in counties of less than 200,000.

Mr. Smith felt that the counties should have more flexibility with lending powers. They should be able to buy mortgage loans for home improvements.

Mr. Smith was asked to name the states that have this type of a provision in their statutes. Mr. Smith stated that New Mexico, California, Florida, Illinois, Georgia, Texas, Arkansas, Kansas, Virginia, North Carolina were using provisions in their laws similar to this bill for low cost housing. Mr. Smith did not have the figures on how many of the states mentioned also had a State Housing Authority.

Alan McNitt, Administrator of the Nevada Housing Authority, spoke to the committee in opposition of SB-497.

Mr. McNitt felt that SB-497 doesn't set limits on the number of bonds, number of homes and the number of families involved. The bill also provides for a duplication of authority, especially in the rural areas. The bill sets no requirement for administering the bonds. The housing division has substantially lower issue costs than what this agency would be able to acquire. There is also no restrictions that keeps this agency from competing with the private sector.

Senator Raggio asked Mr. Smith if they were planning on competing with the private sector and Mr. Smith responded that even though there is some competition it would just allow more low cost housing to be available for those people who need it.

Mr. McNitt felt that when they find themselves in competition with the private sector they turn the loan over to the private sector. Mr. McNitt felt that there were no restrictions on the types of programs that the securities industry could get into and reasonable rates should be clearly defined.

Mr. McNitt referred the committee to page 3, line 17. The language might imply that what is available must be taken which could lead to higher interest rates, thus defeating the purpose of low cost housing. He concluded by stating that this program doesn't address the problems in low cost housing and with the amendments suggested in SB-127 the State Housing Authority can adequately handle the low cost housing problems for Nevada. On behalf of the Department of Commerce they propose that the committee consider indefinite postponement on SB-497.

Kurt Osmond, Frontier Savings, President. Mr. Osmond stated that they do not support the bill and testified against the State Housing Authority since they take some of their business. Mr. Osmond feels that in this area casino workers can make their income as small as they like or increase it to the point whereby they can qualify a loan. Mr. Osmond also spoke to the problem of having one member of the family quit a job in order to qualify with the State Housing Authority and after the loan has been processed they will go out and get a job again. The abuses in the system should be checked.

Mr. Osmond read a letter to the committee from Mr. Don Brodeen, Nevada Mortgage Bankers Association, against SB-497. (See Attachment #3)

Senator Dodge stated that the housing division was not created to compete with the lending institutions and the problems that Mr. Osmond mentioned are problems that all lending institutions face.

Mr. McNitt stated that the problem with casino workers income is the tokens that they receive. The token income must be identified and they will accept the federal income tax form with tokens identified.

Senator Raggio stated that Mr. Osmond was somewhat insensitive to the problems of those people who can't qualify for housing loans in the private institutions stating that if they can't qualify they should not buy but rent.

Darryl Daines, Clark County, testifying for himself only, stated they do not need the State Housing Authority in Clark County and revenue bonding was established to meet the needs of government. Unless there is a need that the private sector is not meeting then the government shouldn't get involved.

The committee concluded testimony on SB-497 and did not take any action on this bill at this time.

SB-502 Permits county payment of employee contributions to retirement for certain county officers.

Darryl Daines, Clark County, President of the County Fiscal Officers of the State of Nevada, testified to the committee in support of SB-502. Mr. Daines stated that the bill was designed to allow the counties to make the contribution to the Public Employees Retirement Fund. Mr. Daines continued by going over the bill and provided the committee with information to support the reasons behind this legislation. (See Attachment #4 and #4A)

Mr. Daines indicated that the elected officials have been stagnated for a long time, it is very difficult for these people to maintain their standard of living with these salary limitations.

Vernon Bennett, Executive Officer of the Public Employees Retirement System, stated that they did not initiate this bill and noted that the cost (\$170,000) will definitely mean that there will be a fiscal note involved. Mr. Bennett recommended some technical amendments and read these amendment suggestions to the committee. (See Attachment #5).

Senator Kosinski moved "Indefinite Postponement" on SB-502
Seconded by Senator Dodge
Motion carried
Voting: Yea's, Senators Keith Ashworth, Gibson, Dodge and
Kosinski
Na's, Senators Ford and Raggio
(Note: Senator Echols was absent)

SB-498 Includes development of land as permissible project for purposes relating to certain county and city revenue bonds.

Richard Rose, Rauscher Pierce Refsnes, Inc. securities industry, testified to the committee and presented each committee member with comments in support of SB-498. (See Attachment #6) Mr. Rose went over same for committee.

Robert Vanosky, Associate with the above mentioned firm was also present to testify to the committee. Mr. Vanosky went over the new language, particularly the language which permits the county to develop land for commercial, recreational, educational and "cultural" uses.

The committee felt that the language on line 20, page 1 that states "and other" uses was too broad. It was also decided that the county should be contacted prior to the committee taking action.

Minutes of the Nevada State Legislature
Senate Committee on Government Affairs
Date: April 25, 1979
Page: Seven

At this time the committee discussed postponing SB-311 and AB-632 until a later date due to time constraints by some of the committee members and due to the length of the meeting. (Set for Friday, 4-27-79)

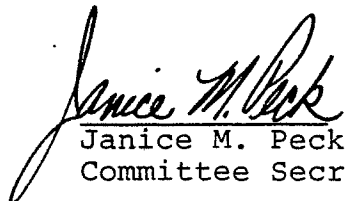
AB-89 Authorizes posting of temporary political signs near time of election with few restrictions.


The committee discussed this bill section by section and found no problems in the third reprint of the bill. The committee did not receive any testimony from those present on this bill.

Senator Keith Ashworth moved "Do Pass" on AB-89
Seconded by Senator Dodge
Motion carried unanimously.

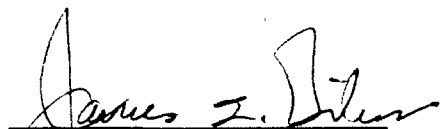
With no further business the meeting was adjourned at 6:20 p.m.

Respectfully submitted,


Janice M. Peck
Committee Secretary


Lois Smith
Backup Secretary

Approved:


Chairman
Senator James I. Gibson

ABSENT BALLOT AND MAILING PRECINCT
VOTING STATISTICS AS OF
1978 GENERAL ELECTION

COUNTYWIDE ABSENT BALLOT AND
MAILING PRECINCT VOTING:

Absent Ballot Voting--Number of ballots cast--4,928

Mailing Precincts:

Number of registered voters--1,805
Number of ballots cast-----1,386

Percentage of mailing
precinct voting-----76.79%

Percentage of voting at
the polls (regular precincts)--66.51%

Remote Area Mailing Precinct Voting:

Percentage of vote in 1978 General Election--
Gerlach mailing precincts 83.11%

Percentage of vote in 1978 General Election--
Wadsworth mailing precinct 73.66%

Thirteen mailing precincts in Washoe County, including Gerlach-Empire and Wadsworth/Nixon would be affected by the proposed lowering of the maximum registration figure from 200 to 50. A specific cost estimate is attached relating to the two most distant mailing precincts-- Gerlach-Empire and Wadsworth/Nixon.

GERLACH-EMPIRE AND WADSWORTH/NIXON
PROJECTED COST OF POLLING PLACE
VS. MAILING PRECINCT
1978 GENERAL ELECTION

(Figures below are for Gerlach-Empire)

POLLING PLACE:

Cost of 2 Election boards:		
2 Chairmen at \$50--\$100.00		
2 Foremen at \$40--- 80.00		
4 Workers at \$40--- <u>160.00</u>		\$340.00

Sample ballots:		
Cost	14.63	
Postage	<u>18.90</u>	33.53

Votomatic cards:		
Cost	9.00	9.00

Mileage:		
3 Round trips--		
Gerlach to Reno,		
Reno to Gerlach--		
642 mi. at 17¢	109.14	<u>109.14</u>
Total		<u>\$491.67</u>

MAILING PRECINCT:

Absent ballots:		
Cost: 225 ballots @ 28¢	\$63.00	
Postage: 225 @ 8.4¢	<u>18.90</u>	81.90

Sample ballots:	Cost	14.63
	Postage	<u>18.90</u>
		33.53

Mailing labels:		
225 labels @ 1.5¢		<u>3.38</u>

Total		<u>\$118.80</u>
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Figures for Wadsworth/Nixon would be \$412.94, and would be slightly lower because of lower mileage payment requirements.

HISTORICAL INFORMATION:

The following information was received by telephone from Dave Howard September 6, 1977:

The Chairman of the Gerlach election board picked up supplies for Gerlach and Empire. He was paid mileage only.

Also, Dave related that the greatest problem was finding reliable people to work on the election board. They refused to come to Reno for instructions. This and the large difference in costs were the reasons that he created a mailing precinct for Gerlach and Empire.

Reliable board workers' unavailability was also the reason for making Pyramid, Nixon and Wadsworth mailing precincts.

COST ESTIMATE--S.B. 444

Minimum number of board workers--3

3-Member Board--1 Chairman at \$50--\$	50
2 Workers at \$40---	80
Total	<u>\$130</u>

4-Member Board--1 Chairman at \$50--\$	50
3 Workers at \$40---	120
Total	<u>\$170</u>

5-Member Board--1 Chairman at \$50--\$	50
4 Workers at \$40---	160
Total	<u>\$210</u>

Cost for 3-member board for regular precincts and mailing precincts (230 + 50)--280 at \$130	\$36,400
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Cost for 3-member board for regular precincts-- 230 at \$130	<u>29,900</u>
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Minimum increased cost	\$ 6,500
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This is a minimum figure. Every board must have a Chairman and 2 workers, the basis of the above estimate. As a matter of actual fact, 4- and even 5-member boards are used in areas where there is a large population.

Language proposed by Russ McDonald for AB-675

Amend Section 1, page 4 by striking out line 25 and inserting:

"Section 7A.120 "Posting" defined 1. "Posting" means posting in three public places at or"..

Amend Section 1, page 5, line 26, by striking out, "act" and inserting "article".

Amend Section 1, page 5, line 30, by striking out "Act" and inserting "article"

Amend Section 1, page 6 by striking out line 7 and inserting:

"property situated within the city. As used in this subsection, "initial".

Amend section 1, page 8 by striking out line 2 and inserting:

"any such net pledged revenues must be fully sufficient to pay the bond required".

Amend Section 1, page 10, by striking out lines 20 to 34, inclusive and inserting:

"undertaking must be pledged for the payment of the securities; and the securities shall be made payable from any such net pledged revenues, as the bond requirements of the securities become due from time to time, by the bond ordinance, trust indenture, or other proceedings authorized the issuance of the securities or otherwise pertaining to their issuance. 3. Additionally, such securities: (a) Must be so made payable from tax proceeds accounted for in the tax increment account, and, at the city's option, (b) May be so made payable from taxes levied by the city against all taxable property within the city, without limitation of rate or amount except for the limitation provided in article X, Section 2 Nevada constitution. (The City may also issue general obligation securities authorized by law other than this article so made payable from taxes without also making the securities payable from any net pledged revenues or tax proceeds accounted for in a tax increment account, or from both such revenue sources.)"

Amend Section 1, page 10 by striking out lines 37 and 38 and inserting:

"Section 3, must be special obligations of the city, must in their issuance be neither subject to the debt limitation in subsection 1 of section 7.010,".

Amend Section 1, page 11, by striking out lines 34 and inserting:

"body (or any combination thereof) may have adopted or may after the adoption of this article".

Amend Section 1, page 12, by striking out line 35 and inserting:
"the city may:"

SOUTHERN NEVADA MORTGAGE BANKERS ASSOCIATION

LAS VEGAS, NEVADA

April 25, 1979

Senate Government Affairs Committee

Dear Senator:


The Southern Nevada Mortgage Bankers Association and the Nevada Mortgage Bankers Association strongly object to the passage of Senate Bill 497.

We have the State Housing Finance Agency which is adequate to provide financing for low to moderate income families for single family homes. It is completely unnecessary to have a proliferation of tax exempt agencies administering a proliferation of various programs.

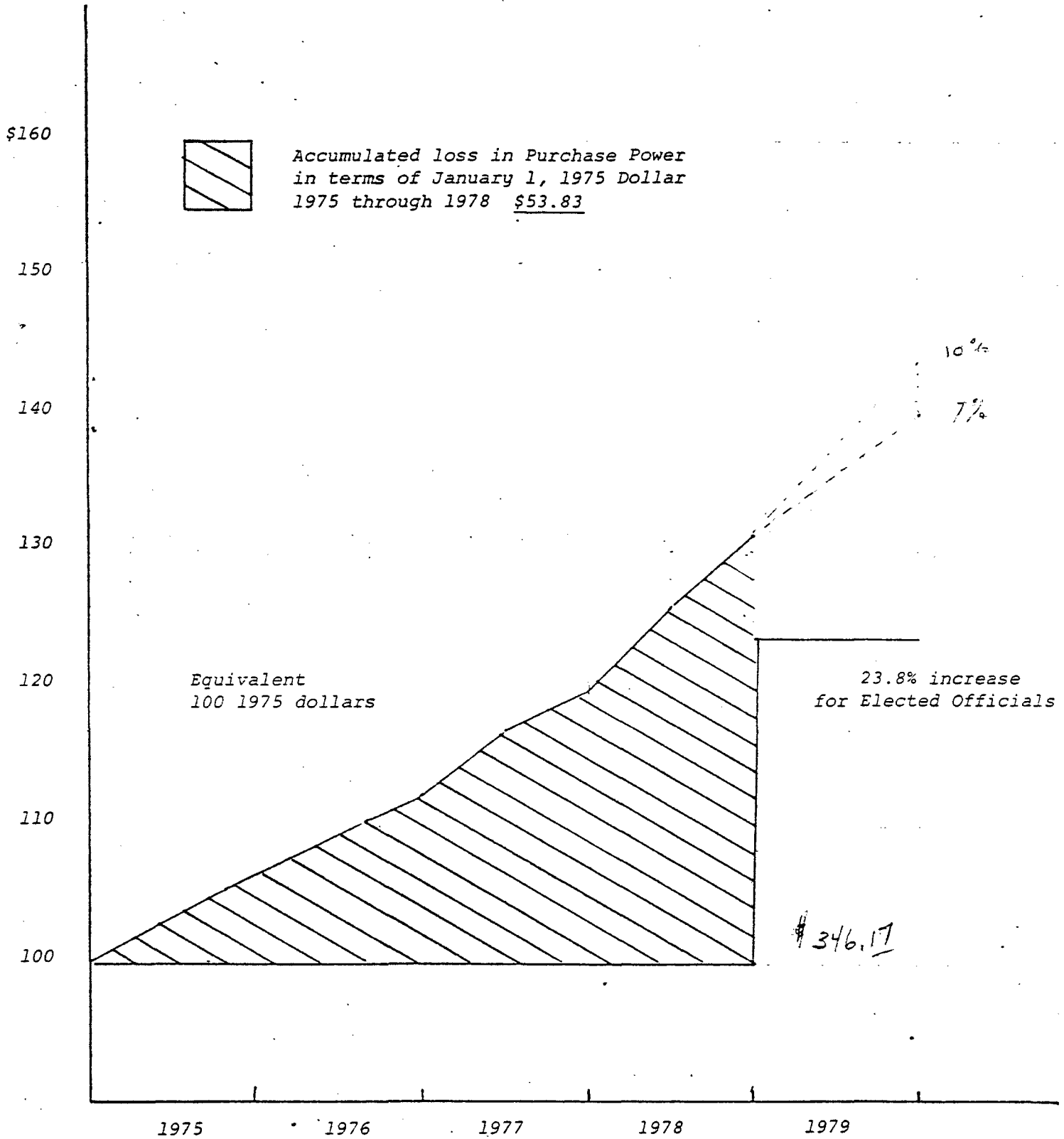
We have seen this happening in other states. The tax exempt status of such agencies are being severely questioned by the Internal Revenue Service due to the loss of revenue on the tax exempt bonds. The administration of such programs causes unnecessary increases in government employment which we have been drastically trying to reduce.

We trust that you will consider this letter in your deliberation of this bill.

Very truly yours,


Don Brodeen
Chairman, Legislative Committee
Nevada Mortgage Bankers Association
Southern Nevada Mortgage Bankers Association

EQUIVALENT WAGE PER 100 1975 DOLLARS
FOR CONSTANT 1975 PURCHASING POWER



Question: Cost of 7-1/2% increase in Elected Officials Salaries

Assumptions: (1) Longevity amounts will not enter into the calculations
(2) District Attorneys live in their county and are not permitted private practice

PRESENT SALARIES BY COUNTY

<u>County</u>	<u>Total Annual Salaries</u>
Clark	\$ 316,100
Washoe	223,500
Carson City	158,400
Elko	152,180
Douglas	132,580
Lyon	112,900
Mineral	112,900
Nye	130,800
White Pine	129,600
Churchill	112,300
Humbolt	129,000
Lincoln	103,250
Storey	90,250
Eureka	88,850
Lander	103,250
Pershing	88,850
Esmeralda	88,850
	<u>\$2,273,560</u>

Cost of 7-1/2% increase $\$2,273,560 \times .075 = \$170,517$

Question: What will be net effect on salaries after taxes if retirement costs are paid in lieu of a 7-1/2% salary increase

	<u>ANNUAL SALARY AFTER TAXES</u>			
	Married with Dependents ()			
	(1)	(2)	(3)	(4)
I. Present Salary \$26,500	21,385	21,705	22,021	22,301
7-1/2% increase 28,488	22,992	23,312	23,629	23,909
Percent Increase	7.5	7.4	7.3	7.2
Retirement Paid In Lieu	23,505	23,825	24,141	24,421
Percent Increase	9.9	9.8	9.6	9.5
II. Present Salary \$16,700	14,265	14,496	14,706	14,916
7-1/2% increase to 17,952	15,217	15,457	15,696	15,906
Percent Increase	6.7	6.6	6.7	6.6
Retirement Paid In Lieu	15,601	15,832	16,042	16,252
Percent Increase	9.4	9.2	9.1	9.0

EXHIBIT 4 A

(1977)

7920

Table 2
ANNUAL SALARIES BEGINNING JANUARY 1, 1979

Class	County	County Commis- sioner	District Attorney		Sheriff	County Clerk	County Assessor	County Recorder	County Treasurer
1	Clark.....	\$19,200	\$38,200		\$37,500	\$26,500	\$26,500	\$26,500	\$26,500
2	Washoe.....	10,800	36,800		31,500	25,300	25,300	25,300	25,300
3	Carson City	8,000	30,500		24,000	21,300	21,300	21,300
	Elko.....	7,260	30,500		21,500	19,600	19,600	19,600	19,600
	Douglas.....	7,260	30,500		21,500	19,600	19,600	19,600
4	Lyon.....	6,600	25,000	\$19,800*	18,000	16,700	16,700	16,700
	Mineral.....	6,600	25,000	19,800*	18,000	16,700	16,700	16,700
	Nye.....	6,600	25,000	19,800*	19,200	16,700	16,700	16,700	16,700
	White Pine..	6,600	25,000	19,800*	18,000	16,700	16,700	16,700	16,700
	Churchill....	6,600	25,000	19,800*	17,400	16,700	16,700	16,700
	Humboldt...	6,600	25,000	19,800*	17,400	16,700	16,700	16,700	16,700
5	Lincoln.....	4,950	22,000	16,800*	\$11,880**	14,400	13,000	13,000	13,000
	Storey.....	4,950	22,000	16,800*	11,880**	14,400	13,000	13,000
	Eureka.....	4,950	22,000	16,800*	11,880**	13,000	13,000	13,000
	Lander.....	4,950	22,000	16,800*	11,880**	14,400	13,000	13,000	13,000
	Pershing.....	4,950	22,000	16,800*	11,880**	13,000	13,000	13,000
	Esmeralda...	4,950	22,000	16,800*	11,880**	13,000	13,000	13,000

*Applies if the district attorney is allowed private practice of law as determined by the board of county commissioners.

**Applies if the district attorney is not a resident of the county.

(Added to NRS by 1969, 1460; A 1973, 1777; 1975, 1479; 1977, 1322)

245.043

COUNTY OFFICERS AND EMPLOYEES

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569
CARSON CITY, NEVADA 89701
TELEPHONE (702) 885-4200

RETIREMENT BOARD
L. ROSS CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN
MEMBERS
DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

April 25, 1979

The Honorable James I. Gibson
Chairman, Government Affairs Committee
Legislature Building
Carson City, Nevada

Dear Senator Gibson:

The Retirement System has no position regarding SB 502. However, there is one technical amendment which should be considered if the bill is approved as drafted. Page 1, lines 20 through 22 provide that elected county officers, or persons appointed to elective offices of the county may go under the employer-pay program without a salary reduction or in-lieu-of equivalent salary increase. Section 3 provides an increase in average compensation upon retirement to counterbalance the in-lieu-of salary increase or salary reduction which was provided to regular members. This should not be applicable to elected county officials in accordance with SB 502. Therefore, we recommend a corrective amendment to SB 502 as follows: On page 2, line 6, after the ".", add the following:

"However, this section shall not be applicable to elected officers and any persons appointed to elective offices of a county if the county pays the employee contributions without being in lieu of an equivalent salary increase or salary reduction."

This will eliminate an elected county officer or person appointed to an elective county office from receiving a windfall increase in average compensation upon retirement. Should your Committee approve SB 502, we would appreciate your favorable consideration to the above technical amendment. This will eliminate the Retirement System's concern regarding the bill.

Sincerely,

Vernon Bennett
Vernon Bennett
Executive Officer

VB:vm
cc: Government Affairs Committee
Retirement Board

E X H I B I T 5

300
0-207

COMMENTS: RAUSCHER PIERCE REFSNES, INC.

SENATE BILL NO. 498

Senate Bill No. 498 provides for the inclusion of land development as a permissible project for purposes relating to certain county and city revenue bonds for economic development. Projects may be undertaken for the development of land for residential, commercial, recreational, educational, cultural and other uses under the provisions of the new subparagraph but only if pursuant to a comprehensive area development plan and, moreover, any loan made for such a project must be insured by an agency of the United States Government.

To meet the criteria of the new legislation, projects will be developed in conjunction with Title X of the National Housing Act. Title X is the HUD-FHA program which provides mortgage insurance to lenders and private developers for the purchase of medium to large tracts of land and the development of that land, primarily for residential use.

The acceptability of a project for insurance by HUD-FHA will depend on the Commissioner's satisfaction that among other things (i) the land development which will be undertaken will contribute to the good living conditions in the area being developed, (ii) the land development is consistent with a comprehensive plan which covers the area in which the land is located and (iii) the area being developed must have a sound economic base and be characterized by sound land use patterns.

Senate Bill No. 498, if enacted, will combine private initiative and public cooperation to help upgrade the quality of the metropolitan environment and expand the range of choice--in jobs, housing and leisure activities--for people throughout the region. More specifically, the objectives of this program are to aid the counties and cities in their ability to:

- Encourage more orderly urban growth and improvement of the quality of urban life by planning balanced communities with adequate and conveniently located open space, cultural, educational, recreational and commercial facilities.
- Reduce transportation inconveniences and costs by permitting user proximity of residence, shopping and employment.
- Conserve dwindling urban land resources, including watershed, prime agricultural land, and lands having scenic, historic or recreational value.
- Reduce public expenditure for sewer, water, street networks and other public services and utilities by permitting greater concentration of well planned development.

COMMENTS (Continued)

- Promote economies in large scale development, technological innovations, coherent and high quality design, and the application of advanced planning techniques to create a more efficient and higher quality living environment.
- Provide maximum opportunities for small home builders and businessmen to participate in urban development.
- Encourage availability of sites for the construction of new housing to meet the needs of all segments of the population.
- Maintenance of a diversified local homebuilding industry to increase the supply of housing for families of low or moderate income.

In summary,

Senate Bill No. 498, if enacted, will allow revenue bonds to be issued for land development purposes under the criteria of a comprehensive plan. Additionally, by requiring the mortgage securing these bonds to be insured through the FHA program under Title X of the National Housing Act, the result will be to increase the credit of the revenue bonds issued for these purposes. The lower interest cost thereby obtained will reduce total costs and enhance the ability of home owners to obtain affordable housing.

