

SENATE BILL NO. 473—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE COMMITTEE TO STUDY
ISSUES REGARDING AFFORDABLE HOUSING)

MARCH 25, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises certain definitions of affordable housing for the purpose of consistency. (BDR 22-377)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to affordable housing; revising certain definitions relating to affordable housing to establish a consistent definition of the term “affordable housing” across various provisions of existing law; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law contains numerous definitions of “affordable housing.” (NRS
2 244A.672, 268.515, 278.0105, 315.725) This bill applies a single definition of
3 “affordable housing” to various provisions of existing law in order to establish a
4 consistent definition of “affordable housing” throughout those provisions. For the
5 purposes of certain provisions governing land use planning, existing law defines
6 “affordable housing” to mean housing affordable for a family with a total gross
7 income that does not exceed 80 percent of the median gross income for the county
8 concerned based upon estimates of the United States Department of Housing and
9 Urban Development of the most current median gross family income for the
10 county. (NRS 278.0105)

11 **Sections 2-4 and 6** of this bill revise that definition by establishing three tiers
12 of affordable housing and defining “affordable housing” as housing that falls within
13 any of the three tiers. **Section 2** of this bill defines “tier one affordable housing” as
14 housing for a household that has a total monthly gross household income that is
15 equal to not more than 60 percent of the median monthly gross household income
16 for the county in which the housing is located. **Section 4** of this bill defines “tier
17 two affordable housing” as housing for a household that has a total monthly gross
18 household income that is equal to more than 60 percent but not more than 80
19 percent of the median monthly gross household income for the county in which the
20 housing is located. **Section 3** of this bill defines “tier three affordable housing” as



21 housing for a household that has a total monthly gross household income that is
22 equal to more than 80 percent but not more than 120 percent of the median monthly
23 gross household income for the county in which the housing is located. Housing at
24 all three tiers is required to cost a household with an income at the maximum
25 amount for the tier not more than 30 percent of the total monthly gross household
26 income of the household.

27 **Sections 7-27** of this bill apply the revised definition of “affordable housing” to
28 various provisions relating to housing. **Sections 9 and 10** of this bill remove certain
29 references to housing for “low-income households” and replace those references
30 with references to the revised definition of “affordable housing.” **Section 29** of this
31 bill repeals a provision defining “low-income household” to conform to these
32 changes. **Section 28** of this bill authorizes cities and counties to use certain revenue
33 to develop tier one affordable housing and tier two affordable housing.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 278 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2. 1. “Tier one affordable housing” means housing**
4 **for a household:**

5 (a) *Which has a total monthly gross income that is equal to not*
6 *more than 60 percent of the median monthly gross household*
7 *income for the county in which the housing is located; and*

8 (b) *Which costs not more than 30 percent of the total monthly*
9 *gross household income of a household whose income equals 60*
10 *percent of the median monthly gross household income for the*
11 *county in which the housing is located, including the cost of*
12 *utilities.*

13 2. *For purposes of this section, median gross household*
14 *income must be determined based upon the estimates of the United*
15 *States Department of Housing and Urban Development of the*
16 *most current median gross family income for the county in which*
17 *the housing is located.*

18 **Sec. 3. 1. “Tier three affordable housing” means housing**
19 **for a household:**

20 (a) *Which has a total monthly gross income that is equal to*
21 *more than 80 percent but not more than 120 percent of the median*
22 *monthly gross household income for the county in which the*
23 *housing is located; and*

24 (b) *Which costs not more than 30 percent of the total monthly*
25 *gross household income of a household whose income equals 120*
26 *percent of the median monthly gross household income for the*
27 *county in which the housing is located, including the cost of*
28 *utilities.*

29 2. *For purposes of this section, median gross household*
30 *income must be determined based upon the estimates of the United*



1 *States Department of Housing and Urban Development of the*
2 *most current median gross family income for the county in which*
3 *the housing is located.*

4 **Sec. 4. 1.** *“Tier two affordable housing” means housing for*
5 *a household:*

6 *(a) Which has a total monthly gross income that is equal to*
7 *more than 60 percent but not more than 80 percent of the median*
8 *monthly gross household income for the county in which the*
9 *housing is located; and*

10 *(b) Which costs not more than 30 percent of the total monthly*
11 *gross household income of a household whose income equals 80*
12 *percent of the median monthly gross household income for the*
13 *county in which the housing is located, including the cost of*
14 *utilities.*

15 **2.** *For purposes of this section, median gross household*
16 *income must be determined based upon the estimates of the United*
17 *States Department of Housing and Urban Development of the*
18 *most current median gross family income for the county in which*
19 *the housing is located.*

20 **Sec. 5.** NRS 278.010 is hereby amended to read as follows:

21 278.010 As used in NRS 278.010 to 278.630, inclusive, *and*
22 *sections 2, 3 and 4 of this act*, unless the context otherwise requires,
23 the words and terms defined in NRS 278.0103 to 278.0195,
24 inclusive, *and sections 2, 3 and 4 of this act* have the meanings
25 ascribed to them in those sections.

26 **Sec. 6.** NRS 278.0105 is hereby amended to read as follows:

27 278.0105 “Affordable housing” means ~~housing affordable for~~
28 ~~a family with a total gross income that does not exceed 80 percent of~~
29 ~~the median gross income for the county concerned based upon the~~
30 ~~estimates of the United States Department of Housing and Urban~~
31 ~~Development of the most current median gross family income for~~
32 ~~the county.] tier one affordable housing, tier two affordable~~
33 *housing or tier three affordable housing.*

34 **Sec. 7.** Chapter 279 of NRS is hereby amended by adding
35 thereto a new section to read as follows:

36 *“Affordable housing” has the meaning ascribed to it in*
37 *NRS 278.0105.*

38 **Sec. 8.** NRS 279.384 is hereby amended to read as follows:

39 279.384 As used in this chapter, unless the context otherwise
40 requires, the words and terms defined in NRS 279.386 to 279.414,
41 inclusive, *and section 7 of this act* have the meanings ascribed to
42 them in those sections.

43 **Sec. 9.** NRS 279.425 is hereby amended to read as follows:

44 279.425 It is further found and declared that:



1 1. The provision of housing is a fundamental purpose of the
2 Community Redevelopment Law and that a generally inadequate
3 supply of decent, safe and sanitary *affordable* housing ~~[available to~~
4 ~~low income households]~~ threatens the accomplishment of the
5 primary purposes of the Community Redevelopment Law,
6 including, without limitation, creating new employment
7 opportunities, attracting new private investments of money in the
8 area and creating physical, economic, social and environmental
9 conditions to remove and prevent the recurrence of blight.

10 2. The provision and improvement of *affordable* housing
11 ~~[which can be rented or sold to families with low incomes and]~~
12 which is inside or outside the boundaries of the redevelopment area
13 can be of direct benefit to the redevelopment area in assisting the
14 accomplishment of project objectives whether or not the
15 redevelopment plan provides for *affordable* housing within
16 the project area.

17 3. The provision of affordable housing by redevelopment
18 agencies and the use of taxes allocated to the agency pursuant
19 thereto is of statewide benefit and assistance to all local
20 governmental agencies in the areas where *affordable* housing is
21 provided.

22 **Sec. 10.** NRS 279.685 is hereby amended to read as follows:

23 279.685 1. Except as otherwise provided in this section or
24 subsections 6 and 7 of NRS 279.676, an agency of a city whose
25 population is 500,000 or more that receives revenue from taxes
26 pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set
27 aside:

28 (a) Not less than 15 percent of that revenue received on or
29 before October 1, 1999, and 18 percent of that revenue received
30 after October 1, 1999, but before October 1, 2011, to increase,
31 improve and preserve the ~~[number of dwelling units]~~ *amount of*
32 *affordable housing* in the community ; ~~[for low income~~
33 ~~households;]~~

34 (b) Not less than 18 percent of that revenue received on or after
35 October 1, 2011, but before July 1, 2017, to:

36 (1) Increase, improve, preserve or enhance the operating
37 viability of ~~[dwelling units]~~ *affordable housing* in the community ;
38 ~~[for low income households;]~~ and

39 (2) Improve existing public educational facilities located
40 within a redevelopment area or within 1 mile of a redevelopment
41 area; and

42 (c) Eighteen percent of that revenue received on or after July 1,
43 2017, but before March 6, 2031, to increase, improve, preserve or
44 enhance the operating viability of ~~[dwelling units]~~ *affordable*
45 *housing* in the community ~~[for low income households]~~ and:



1 (1) Increase, improve, preserve or enhance public
2 educational facilities;

3 (2) Support public educational activities and programs; or

4 (3) Increase, improve, preserve or enhance public
5 educational facilities and support public educational activities and
6 programs,

7 ↪ which are located in or within 1 mile of a redevelopment area or
8 which serve pupils who reside in or within 1 mile of a
9 redevelopment area; and

10 (d) Eighteen percent of that revenue received on or after
11 March 6, 2031, to:

12 (1) Increase, improve, preserve or enhance public
13 educational facilities;

14 (2) Support public educational activities and programs; or

15 (3) Increase, improve, preserve or enhance public
16 educational facilities and support public educational activities and
17 programs,

18 ↪ described in paragraph (c).

19 2. For each fiscal year, the agency shall prepare a written report
20 concerning the amount of money expended for the purposes set
21 forth in paragraph (b), (c) or (d) of subsection 1, as applicable, and
22 shall, on or before November 30 of each year, submit a copy of the
23 report to the Director of the Legislative Counsel Bureau for
24 transmittal to the Legislative Commission, if the report is received
25 during an odd-numbered year, or to the next session of the
26 Legislature, if the report is received during an even-numbered year.

27 3. The obligation of an agency to set aside not less than 15
28 percent of the revenue from taxes allocated to and received by the
29 agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is
30 subordinate to any existing obligations of the agency. As used in
31 this subsection, "existing obligations" means the principal and
32 interest, when due, on any bonds, notes or other indebtedness
33 whether funded, refunded, assumed or otherwise incurred by the
34 agency before July 1, 1993, to finance or refinance in whole or in
35 part, the redevelopment of a redevelopment area. For the purposes
36 of this subsection, obligations incurred by an agency after July 1,
37 1993, shall be deemed existing obligations if the net proceeds are
38 used to refinance existing obligations of the agency.

39 4. The obligation of an agency to set aside an additional 3
40 percent of the revenue from taxes allocated to and received by the
41 agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is
42 subordinate to any existing obligations of the agency. As used in
43 this subsection, "existing obligations" means the principal and
44 interest, when due, on any bonds, notes or other indebtedness
45 whether funded, refunded, assumed or otherwise incurred by the



1 agency before October 1, 1999, to finance or refinance in whole or
2 in part, the redevelopment of a redevelopment area. For the
3 purposes of this subsection, obligations incurred by an agency after
4 October 1, 1999, shall be deemed existing obligations if the net
5 proceeds are used to refinance existing obligations of the agency.

6 5. From the revenue set aside by an agency pursuant to
7 paragraph (b) or (c) of subsection 1, not more than 50 percent of that
8 amount may be used to:

9 (a) Increase, improve, preserve or enhance the operating
10 viability of ~~[dwelling units]~~ *affordable housing* in the community ;
11 ~~[for low income households;]~~ or

12 (b) Increase, improve, preserve or enhance public educational
13 facilities, support public educational activities and programs or
14 increase, improve, preserve or enhance public educational facilities
15 and support public educational activities and programs which are
16 located in or within 1 mile of a redevelopment area or which serve
17 pupils who reside in or within 1 mile of a redevelopment area,

18 ↪ unless the agency establishes that such an amount is insufficient
19 to pay the cost of a project identified in the redevelopment plan for
20 the redevelopment area.

21 6. Except as otherwise provided in paragraphs (b), (c) and (d)
22 of subsection 1 and subsection 5, the agency may expend or
23 otherwise commit money for the purposes of subsection 1 outside
24 the boundaries of the redevelopment area.

25 **Sec. 11.** NRS 279A.020 is hereby amended to read as follows:
26 279A.020 As used in this chapter, unless the context otherwise
27 requires:

28 1. *“Affordable housing” has the meaning ascribed to it in*
29 *NRS 278.0105.*

30 2. “Agency” means an agency of a county or city established or
31 designated to administer a program.

32 ~~[2.]~~ 3. “Fund” means a revolving fund for loans for the
33 rehabilitation of residential property.

34 ~~[3.]~~ 4. “Governing body” means the governing body of a
35 county or city.

36 ~~[4.]~~ 5. “Program” means a program for the rehabilitation of
37 residential neighborhoods established by a governing body pursuant
38 to this chapter.

39 ~~[5.]~~ 6. “Rehabilitation” includes structural improvements,
40 landscaping and any other measure to improve the appearance of
41 property or maintain property in a decent, safe and sanitary
42 condition.

43 **Sec. 12.** NRS 279A.040 is hereby amended to read as follows:
44 279A.040 1. An applicant for a loan for the rehabilitation of
45 residential property must, at the time application is made:



1 (a) Be a natural person who:

2 (1) Is a resident of or an owner of residential property in the
3 city or an unincorporated area of the county, as the case may be;

4 (2) Is a member of a household having a gross income of less
5 than ~~80~~ 120 percent of the median gross income for households of
6 the same size residing in the same county or city, as applicable, as
7 that percentage is defined by the United States Department of
8 Housing and Urban Development, or rents residential property to
9 such households;

10 (3) Owns and resides on or rents for residential purposes
11 only the property for which the loan is sought;

12 (4) Has the financial resources to repay the loan in
13 accordance with the terms of the agreement;

14 (5) Has the ability to complete the rehabilitation within a
15 reasonable time and maintain the property in a decent, safe and
16 sanitary condition; and

17 (6) Meets such other requirements as are imposed by the
18 governing body; or

19 (b) Be an organization that:

20 (1) Is recognized as exempt pursuant to 26 U.S.C. §
21 501(c)(3) or 501(c)(4);

22 (2) Provides affordable housing to natural persons who meet
23 the criteria set forth in subparagraphs (1) and (2) of paragraph (a);
24 and

25 (3) Has the financial resources to repay the loan in
26 accordance with the terms of the agreement.

27 2. Any residential property for which a loan for rehabilitation
28 is sought must be:

29 (a) Entirely situated within the boundaries of the city or within
30 an unincorporated area of the county, as the case may be;

31 (b) Capable of rehabilitation within reasonable limits; and

32 (c) Subject to not more than two encumbrances.

33 **Sec. 13.** NRS 279B.020 is hereby amended to read as follows:

34 279B.020 As used in this chapter, unless the context otherwise
35 requires:

36 1. "Abandoned residential property" means residential property
37 which has been:

38 (a) Acquired by the governing body pursuant to the provisions
39 of NRS 361.603 or subsection 3 of NRS 279B.100, or by a grant
40 from the Federal Government, the state government or any political
41 subdivision of the State;

42 (b) Declared to have been abandoned by the Federal
43 Government, the state government or the governing body; and



1 (c) Determined by the governing body to be in need of
2 rehabilitation because of its deteriorated, substandard or unsanitary
3 condition.

4 2. *"Affordable housing" has the meaning ascribed to it in*
5 *NRS 278.0105.*

6 3. "Agency" means an agency of a county or city established or
7 designated to administer a program.

8 ~~3.1~~ 4. "Governing body" means the governing body of a
9 county or city.

10 ~~4.1~~ 5. "Program" means a program for the rehabilitation of
11 abandoned residential properties established by a governing body
12 pursuant to this chapter.

13 ~~5.1~~ 6. "Rehabilitation" includes structural improvements,
14 landscaping and any other measure to improve the appearance of
15 property or maintain property in a decent, safe and sanitary
16 condition.

17 **Sec. 14.** NRS 279B.040 is hereby amended to read as follows:

18 279B.040 1. An applicant for rehabilitation of abandoned
19 residential property must, at the time application is made:

20 (a) Be a natural person who:

21 (1) Is a resident of the city or an unincorporated area of the
22 county, as the case may be;

23 (2) Is a member of a household having a gross income of less
24 than ~~80~~ 120 percent of the median gross income for households of
25 the same size residing in the same county or city, as applicable, as
26 that percentage is defined by the United States Department of
27 Housing and Urban Development;

28 (3) Intends to reside on the abandoned residential property
29 for which the rehabilitation is sought;

30 (4) Has the financial resources to rehabilitate the abandoned
31 residential property in accordance with the terms of the agreement;

32 (5) Has the ability to complete the rehabilitation within a
33 reasonable time and maintain the property in a decent, safe and
34 sanitary condition; and

35 (6) Meets such other requirements as are imposed by the
36 governing body; or

37 (b) Be an organization that:

38 (1) Is recognized as exempt pursuant to 26 U.S.C. §
39 501(c)(3) or 501(c)(4);

40 (2) Provides affordable housing to natural persons who meet
41 the criteria set forth in subparagraphs (1) and (2) of paragraph (a);
42 and

43 (3) Has the financial resources to rehabilitate the abandoned
44 residential property in accordance with the terms of the agreement.



1 2. Any abandoned residential property for which an application
2 for the rehabilitation is sought must be:

3 (a) Entirely situated within the boundaries of the city or within
4 an unincorporated area of the county, as the case may be;

5 (b) Capable of rehabilitation within reasonable limits; and

6 (c) Subject to not more than two encumbrances.

7 **Sec. 15.** NRS 118B.0105 is hereby amended to read as
8 follows:

9 118B.0105 "Account" means the Account for ~~Low Income~~
10 *Affordable* Housing created by NRS 319.500.

11 **Sec. 16.** NRS 232.860 is hereby amended to read as follows:

12 232.860 The Commission shall, within the limits of available
13 money:

14 1. Study matters affecting the social and economic welfare and
15 well-being of minorities residing in the State of Nevada;

16 2. Collect and disseminate information on activities, programs
17 and essential services available to minorities in the State of Nevada;

18 3. Study the:

19 (a) Availability of employment for minorities in this State, and
20 the manner in which minorities are employed;

21 (b) Manner in which minorities can be encouraged to start and
22 manage their own businesses successfully; and

23 (c) Availability of affordable housing , *as defined in NRS*
24 *278.0105*, for minorities;

25 4. In cooperation with the Nevada Equal Rights Commission,
26 act as a liaison to inform persons regarding:

27 (a) The laws of this State that prohibit discriminatory practices;
28 and

29 (b) The procedures pursuant to which aggrieved persons may
30 file complaints or otherwise take action to remedy such
31 discriminatory practices;

32 5. To the extent practicable, strive to create networks within
33 the business community between businesses that are owned by
34 minorities and businesses that are not owned by minorities;

35 6. Advise the Governor on matters relating to minorities and of
36 concern to minorities; and

37 7. Recommend proposed legislation to the Governor.

38 **Sec. 17.** NRS 244.189 is hereby amended to read as follows:

39 244.189 1. Except as otherwise provided in subsection 2 and
40 in addition to any other powers authorized by specific statute, a
41 board of county commissioners may exercise such powers and enact
42 such ordinances, not in conflict with the provisions of NRS or other
43 laws or regulations of this State, as the board determines are
44 necessary and proper for:

45 (a) The development of affordable housing;



1 (b) The control and protection of animals;
2 (c) The rehabilitation of rental property in residential
3 neighborhoods; and

4 (d) The rehabilitation of abandoned residential property.
5 2. The board of county commissioners shall not impose or
6 increase a tax unless the tax or increase is otherwise authorized by
7 specific statute.

8 3. The board of county commissioners may, in lieu of a
9 criminal penalty, provide a civil penalty for a violation of an
10 ordinance enacted pursuant to this section unless state law provides
11 a criminal penalty for the same act or omission.

12 4. *As used in this section, "affordable housing" has the*
13 *meaning ascribed to it in NRS 278.0105.*

14 **Sec. 18.** NRS 244.287 is hereby amended to read as follows:

15 244.287 1. A nonprofit organization may submit to a board
16 of county commissioners an application for conveyance of property
17 that is owned by the county if the property was:

18 (a) Received by donation for the use and benefit of the county
19 pursuant to NRS 244.270.

20 (b) Purchased by the county pursuant to NRS 244.275.

21 2. Before the board of county commissioners makes a
22 determination on such an application for conveyance, it shall hold at
23 least one public hearing on the application. Notice of the time, place
24 and specific purpose of the hearing must be:

25 (a) Published at least once in a newspaper of general circulation
26 in the county.

27 (b) Mailed to all owners of record of real property which is
28 located not more than 300 feet from the property that is proposed for
29 conveyance.

30 (c) Posted in a conspicuous place on the property that is
31 proposed for conveyance.

32 ↪ The hearing must be held not fewer than 10 days but not more
33 than 40 days after the notice is published, mailed and posted in
34 accordance with this subsection.

35 3. The board of county commissioners may approve such an
36 application for conveyance if the nonprofit organization
37 demonstrates to the satisfaction of the board that the organization or
38 its assignee will use the property to develop affordable housing .

39 ~~[for families whose income at the time of application for such~~
40 ~~housing does not exceed 80 percent of the median gross income for~~
41 ~~families residing in the same county, as that percentage is defined~~
42 ~~by the United States Department of Housing and Urban~~
43 ~~Development.]~~ If the board of county commissioners receives more

44 than one application for conveyance of the property, the board must
45 give priority to an application of a nonprofit organization that



1 demonstrates to the satisfaction of the board that the organization or
2 its assignee will use the property to develop affordable housing for
3 persons who are disabled or elderly.

4 4. If the board of county commissioners approves an
5 application for conveyance, it may convey the property to the
6 nonprofit organization without consideration. Such a conveyance
7 must not be in contravention of any condition in a gift or devise of
8 the property to the county.

9 5. As a condition to the conveyance of the property pursuant to
10 subsection 4, the board of county commissioners shall enter into an
11 agreement with the nonprofit organization that requires the
12 nonprofit organization or its assignee to use the property to provide
13 affordable housing for at least 50 years. If the nonprofit organization
14 or its assignee fails to use the property to provide affordable housing
15 pursuant to the agreement, the board of county commissioners may
16 take reasonable action to return the property to use as affordable
17 housing, including, without limitation:

18 (a) Repossessing the property from the nonprofit organization or
19 its assignee.

20 (b) Transferring ownership of the property from the nonprofit
21 organization or its assignee to another person or governmental entity
22 that will use the property to provide affordable housing.

23 6. The agreement required by subsection 5 must be recorded in
24 the office of the county recorder of the county in which the property
25 is located and must specify:

26 (a) The number of years for which the nonprofit organization or
27 its assignee must use the property to provide affordable housing;
28 and

29 (b) The action that the board of county commissioners will take
30 if the nonprofit organization or its assignee fails to use the property
31 to provide affordable housing pursuant to the agreement.

32 7. A board of county commissioners that has conveyed
33 property pursuant to subsection 4 shall:

34 (a) Prepare annually a list which includes a description of all
35 property that was conveyed to a nonprofit organization pursuant to
36 this section; and

37 (b) Include the list in the annual audit of the county which is
38 conducted pursuant to NRS 354.624.

39 8. If, 5 years after the date of a conveyance pursuant to
40 subsection 4, a nonprofit organization or its assignee has not
41 commenced construction of affordable housing, or entered into such
42 contracts as are necessary to commence the construction of
43 affordable housing, the property that was conveyed automatically
44 reverts to the county.



1 9. A board of county commissioners may subordinate the
2 interest of the county in property conveyed pursuant to subsection 4
3 to a first or subsequent holder of a mortgage on that property to the
4 extent the board deems necessary to promote investment in the
5 construction of affordable housing.

6 10. As used in this section, unless the context otherwise
7 requires ~~["nonprofit"]~~ :

8 (a) *"Affordable housing" has the meaning ascribed to it in*
9 *NRS 278.0105.*

10 (b) *"Nonprofit organization" means an organization that is*
11 *recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).*

12 **Sec. 19.** NRS 268.058 is hereby amended to read as follows:

13 268.058 1. A nonprofit organization may submit to the
14 governing body of a city an application for conveyance of property
15 that is owned by the city if the property was purchased or received
16 by the city pursuant to NRS 268.008.

17 2. Before the governing body makes a determination on such
18 an application for conveyance, it shall hold at least one public
19 hearing on the application. Notice of the time, place and specific
20 purpose of the hearing must be:

21 (a) Published at least once in a newspaper of general circulation
22 in the city.

23 (b) Mailed to all owners of record of real property which is
24 located not more than 300 feet from the property that is proposed for
25 conveyance.

26 (c) Posted in a conspicuous place on the property that is
27 proposed for conveyance.

28 ➔ The hearing must be held not fewer than 10 days but not more
29 than 40 days after the notice is published, mailed and posted in
30 accordance with this subsection.

31 3. The governing body may approve such an application for
32 conveyance if the nonprofit organization demonstrates to the
33 satisfaction of the governing body that the organization or its
34 assignee will use the property to develop affordable housing . ~~for~~
35 ~~families whose income at the time of application for such housing~~
36 ~~does not exceed 80 percent of the median gross income for families~~
37 ~~residing in the same city, as that percentage is defined by the United~~
38 ~~States Department of Housing and Urban Development.]~~ If the
39 governing body receives more than one application for conveyance
40 of the property, the governing body must give priority to an
41 application of a nonprofit organization that demonstrates to the
42 satisfaction of the governing body that the organization or its
43 assignee will use the property to develop affordable housing for
44 persons who are disabled or elderly.



1 4. If the governing body approves an application for
2 conveyance, it may convey the property to the nonprofit
3 organization without consideration. Such a conveyance must not be
4 in contravention of any condition in a gift or devise of the property
5 to the city.

6 5. As a condition to the conveyance of the property pursuant to
7 subsection 4, the governing body shall enter into an agreement with
8 the nonprofit organization that requires the nonprofit organization or
9 its assignee to use the property to provide affordable housing for at
10 least 50 years. If the nonprofit organization or its assignee fails to
11 use the property to provide affordable housing pursuant to the
12 agreement, the governing body may take reasonable action to return
13 the property to use as affordable housing, including, without
14 limitation:

15 (a) Repossessing the property from the nonprofit organization or
16 its assignee.

17 (b) Transferring ownership of the property from the nonprofit
18 organization or its assignee to another person or governmental entity
19 that will use the property to provide affordable housing.

20 6. The agreement required by subsection 5 must be recorded in
21 the office of the county recorder of the county in which the property
22 is located and must specify:

23 (a) The number of years for which the nonprofit organization or
24 its assignee must use the property to provide affordable housing;
25 and

26 (b) The action that the governing body will take if the nonprofit
27 organization or its assignee fails to use the property to provide
28 affordable housing pursuant to the agreement.

29 7. A governing body that has conveyed property pursuant to
30 subsection 4 shall:

31 (a) Prepare annually a list which includes a description of all
32 property conveyed to a nonprofit organization pursuant to this
33 section; and

34 (b) Include the list in the annual audit of the city which is
35 conducted pursuant to NRS 354.624.

36 8. If, 5 years after the date of a conveyance pursuant to
37 subsection 4, a nonprofit organization or its assignee has not
38 commenced construction of affordable housing, or entered into such
39 contracts as are necessary to commence the construction of
40 affordable housing, the property that was conveyed automatically
41 reverts to the city.

42 9. A governing body may subordinate the interest of the city in
43 property conveyed pursuant to subsection 4 to a first or subsequent
44 holder of a mortgage on that property to the extent the governing



1 body deems necessary to promote investment in the construction of
2 affordable housing.

3 10. As used in this section, unless the context otherwise
4 requires ~~[, “nonprofit”]~~:

5 (a) *“Affordable housing” has the meaning ascribed to it in*
6 *NRS 278.0105.*

7 (b) *“Nonprofit organization”* means an organization that is
8 recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

9 **Sec. 20.** NRS 268.190 is hereby amended to read as follows:

10 268.190 Except as otherwise provided by law, the city
11 planning commission may:

12 1. Recommend and advise the city council and all other public
13 authorities concerning:

14 (a) The laying out, widening, extending, paving, parking and
15 locating of streets, sidewalks and boulevards.

16 (b) The betterment of housing and sanitary conditions, and the
17 establishment of zones or districts within which lots or buildings
18 may be restricted to residential use, or from which the
19 establishment, conduct or operation of certain business,
20 manufacturing or other enterprises may be excluded, and limiting
21 the height, area and bulk of buildings and structures therein.

22 2. Recommend to the city council and all other public
23 authorities plans and regulations for the future growth, development
24 and beautification of the municipality in respect to its public and
25 private buildings and works, streets, parks, grounds and vacant lots,
26 which must include for each city a population plan if required by
27 NRS 278.170, a plan for the development of affordable housing and,
28 for each city located in a county whose population is 700,000 or
29 more, a plan to inventory and preserve historic neighborhoods. *As*
30 *used in this subsection, “affordable housing” has the meaning*
31 *ascribed to it in NRS 278.0105.*

32 3. Perform any other acts and things necessary or proper to
33 carry out the provisions of NRS 268.110 to 268.220, inclusive, and
34 in general to study and propose such measures as may be for the
35 municipal welfare and in the interest of protecting the municipal
36 area’s natural resources from impairment.

37 **Sec. 21.** Chapter 319 of NRS is hereby amended by adding
38 thereto a new section to read as follows:

39 *“Affordable housing” has the meaning ascribed to it in*
40 *NRS 278.0105.*

41 **Sec. 22.** NRS 319.030 is hereby amended to read as follows:

42 319.030 As used in this chapter, the words and terms defined
43 in NRS 319.040 to 319.135, inclusive, *and section 21 of this act*
44 have the meanings ascribed to them in those sections.



1 **Sec. 23.** NRS 319.143 is hereby amended to read as follows:
2 319.143 1. The Division shall create and maintain a statewide
3 low-income housing database.

4 2. The database must include, without limitation, the
5 compilation and analysis of demographic, economic and housing
6 data from a variety of sources that:

7 (a) Provides for an annual assessment of the affordable housing
8 market at the city and county level, including data relating to
9 housing units, age of housing, rental rates and rental vacancy rates,
10 new home sales and resale of homes, new construction permits,
11 mobile homes, lots available for mobile homes and conversions of
12 multifamily condominiums;

13 (b) Addresses the housing needs of various population groups in
14 Nevada, such as households that rent, homeowners, elderly
15 households, veterans, persons with disabilities or special needs,
16 homeless persons, recovering drug abusers, persons suffering from
17 mental health ailments and victims of domestic violence, with each
18 group distinguished to show the percentage of the population group
19 at different income levels, and a determination of the number of
20 households within each special-needs group experiencing housing
21 costs greater than 50 percent of their income, overcrowding or
22 substandard housing;

23 (c) Contains an estimate of the number and condition of
24 subsidized and other low-income housing units at the county level
25 and the identification of any subsidized units that are forecast to
26 convert to market-rate units within a 2-year planning period;

27 (d) Provides a demographic and economic overview by local
28 and county jurisdiction, if feasible, for the population of Nevada,
29 including age, race and ethnicity, household size, migration, current
30 and forecast employment, household income and a summary
31 relating to the effects of demographics and economic factors on
32 housing demand;

33 (e) Provides the number of housing units available to a victim of
34 domestic violence from any housing authority, as defined in NRS
35 315.021, and from participation in the program of housing
36 assistance pursuant to section 8 of the United States Housing Act of
37 1937, 42 U.S.C. § 1437f; and

38 (f) Provides the number of terminations of victims of domestic
39 violence in this State from the program of housing assistance
40 pursuant to section 8 of the United States Housing Act of 1937, 42
41 U.S.C. § 1437f.

42 3. The costs of creating and maintaining the database:

43 (a) Must be paid from the Account for ~~Low Income~~
44 **Affordable** Housing created by NRS 319.500; and

45 (b) May not exceed \$175,000 per year.



1 **Sec. 24.** NRS 319.340 is hereby amended to read as follows:

2 319.340 1. The Division may establish one or more bond
3 reserve funds, and shall pay into each such bond reserve fund:

4 (a) Any money appropriated by the Legislature for the purpose
5 of the fund;

6 (b) Any proceeds of sale of notes or bonds to the extent
7 provided in connection with the issuance thereof; and

8 (c) Any other money which may be available to the Division for
9 the purpose of the fund from any other source or sources.

10 ↪ All money held in any bond reserve fund, except as otherwise
11 expressly provided in this chapter, must be used, as required, solely
12 for the payment of the principal of bonds secured in whole or in part
13 by the fund or of the sinking fund payments with respect to such
14 bonds, the purchase or redemption of such bonds, the payment of
15 interest on such bonds or the payment of any redemption premium
16 required to be paid when the bonds are redeemed before maturity.

17 2. Money in such a fund must not be withdrawn from the fund
18 at any time in an amount that would reduce the amount of the fund
19 below the requirement established for that fund, except to pay when
20 due, with respect to bonds secured in whole or in part by that fund,
21 principal, interest, redemption premiums and sinking fund payments
22 for the payment of which other money of the Division is not
23 available. Any income or interest earned by or incremental to any
24 bond reserve fund resulting from the investment thereof may be
25 transferred by the Division to other funds or accounts of the
26 Division and to the Account for ~~Low-Income~~ *Affordable* Housing
27 created pursuant to NRS 319.500, to the extent that the amount of
28 that bond reserve fund is not reduced below the requirement for the
29 fund.

30 **Sec. 25.** NRS 319.500 is hereby amended to read as follows:

31 319.500 1. There is hereby created in the State General Fund
32 the Account for ~~Low-Income~~ *Affordable* Housing, to be
33 administered by the Division. All money that is collected for the use
34 of the Account from any source, including pursuant to a specific
35 statute, tax, legislative appropriation, gift or grant, or from interest
36 earned on specified public or private accounts, must be deposited in
37 the Account.

38 2. The money in the Account must be invested as provided in
39 chapters 355 and 356 of NRS. The interest and income earned on
40 the money in the Account, after deducting any applicable charges,
41 must be credited to the Account. All claims against the Account
42 must be paid as other claims against the State are paid.



1 **Sec. 26.** NRS 319.510 is hereby amended to read as follows:
2 319.510 1. Except as otherwise provided in subsection 2,
3 money deposited in the Account for ~~[Low-Income]~~ *Affordable*
4 Housing must be used:

5 (a) For the acquisition, construction or rehabilitation of
6 *affordable* housing for eligible families by public or private
7 nonprofit charitable organizations, housing authorities or local
8 governments through loans, grants or subsidies;

9 (b) To provide technical and financial assistance to public or
10 private nonprofit charitable organizations, housing authorities and
11 local governments for the acquisition, construction or rehabilitation
12 of *affordable* housing for eligible families;

13 (c) To provide funding for projects of public or private nonprofit
14 charitable organizations, housing authorities or local governments
15 that provide assistance to or guarantee the payment of rent or
16 deposits as security for rent for eligible families, including homeless
17 persons;

18 (d) To reimburse the Division for the costs of administering the
19 Account;

20 (e) To assist eligible persons by supplementing their monthly
21 rent for the manufactured home lots, as defined by NRS 118B.016,
22 on which their manufactured homes, as defined by NRS 118B.015,
23 are located; and

24 (f) In any other manner consistent with this section to assist
25 eligible families in obtaining or keeping *affordable* housing,
26 including use as the State's contribution to facilitate the receipt of
27 related federal money.

28 2. Except as otherwise provided in this subsection, the Division
29 may expend money from the Account as reimbursement for the
30 necessary costs of efficiently administering the Account and any
31 money received pursuant to 42 U.S.C. §§ 12701 et seq. In no case
32 may the Division expend more than \$40,000 per year or an amount
33 equal to 6 percent of any money made available to the State
34 pursuant to 42 U.S.C. §§ 12701 et seq., whichever is greater. In
35 addition, the Division may expend not more than \$175,000 per year
36 from the Account to create and maintain the statewide low-income
37 housing database required by NRS 319.143. The Division may
38 expend not more than \$75,000 per year of the money deposited in
39 the Account pursuant to NRS 375.070 for the purpose set forth in
40 paragraph (e) of subsection 1. Of the remaining money allocated
41 from the Account:

42 (a) Except as otherwise provided in subsection 3, 15 percent
43 must be distributed to the Division of Welfare and Supportive
44 Services of the Department of Health and Human Services for use in
45 its program developed pursuant to 45 C.F.R. § 233.120 , *as that*



1 *section existed on December 4, 1997*, to provide emergency
2 assistance to needy families with children, subject to the following:

3 (1) The Division of Welfare and Supportive Services shall
4 adopt regulations governing the use of the money that are consistent
5 with the provisions of this section.

6 (2) The money must be used solely for activities relating to
7 ~~low-income~~ *affordable* housing that are consistent with the
8 provisions of this section.

9 (3) The money must be made available to families that have
10 children and whose income is at or below the federally designated
11 level signifying poverty.

12 (4) All money provided by the Federal Government to match
13 the money distributed to the Division of Welfare and Supportive
14 Services pursuant to this section must be expended for activities
15 consistent with the provisions of this section.

16 (b) Eighty-five percent must be distributed to public or private
17 nonprofit charitable organizations, housing authorities and local
18 governments for the acquisition, construction and rehabilitation of
19 *affordable* housing for eligible families, subject to the following:

20 (1) Priority must be given to those projects that qualify for
21 the federal tax credit relating to low-income housing.

22 (2) Priority must be given to those projects that anticipate
23 receiving federal money to match the state money distributed to
24 them.

25 (3) Priority must be given to those projects that have the
26 commitment of a local government to provide assistance to them.

27 (4) All money must be used to benefit families whose
28 income does not exceed ~~60~~ *120* percent of the median income for
29 families residing in the same county, as defined by the United States
30 Department of Housing and Urban Development.

31 (5) Not less than 15 percent of the units acquired, constructed
32 or rehabilitated must be affordable to persons whose income is at or
33 below the federally designated level signifying poverty. For the
34 purposes of this subparagraph, a unit is affordable if a family does
35 not have to pay more than 30 percent of its gross income for housing
36 costs, including both utility and mortgage or rental costs.

37 (6) To be eligible to receive money pursuant to this
38 paragraph, a project must be sponsored by a local government.

39 3. The Division may, pursuant to contract and in lieu of
40 distributing money to the Division of Welfare and Supportive
41 Services pursuant to paragraph (a) of subsection 2, distribute any
42 amount of that money to private or public nonprofit entities for use
43 consistent with the provisions of this section.



1 **Sec. 27.** NRS 319.520 is hereby amended to read as follows:

2 319.520 1. The Administrator shall consult with
3 representatives of housing authorities, organizations of persons with
4 low income, providers of housing, financial institutions and other
5 persons interested in the provision of ~~low-income~~ *affordable*
6 housing, and adopt regulations establishing:

7 (a) Criteria for the distribution and use of money from the
8 Account for ~~Low-Income~~ *Affordable* Housing; and

9 (b) Procedures for the Division and the local governments that
10 receive money pursuant to NRS 319.510 to monitor the use of
11 money from the Account and to enforce the provisions of this
12 section and NRS 319.500 and 319.510.

13 ↪ The regulations must be designed to maximize the efficient use of
14 money in the Account and to promote the participation and
15 assistance of local governments.

16 2. A recipient of money from the Account shall comply with
17 the regulations of the Administrator and provide such reports to the
18 Division and the local governments that receive money pursuant to
19 NRS 319.510 upon the use of the money as the Administrator
20 requires.

21 **Sec. 28.** NRS 375.070 is hereby amended to read as follows:

22 375.070 1. The county recorder shall transmit the proceeds of
23 the tax imposed by NRS 375.020 at the end of each quarter in the
24 following manner:

25 (a) An amount equal to that portion of the proceeds which is
26 equivalent to 10 cents for each \$500 of value or fraction thereof
27 must be transmitted to the State Controller who shall deposit that
28 amount in the Account for ~~Low-Income~~ *Affordable* Housing
29 created pursuant to NRS 319.500.

30 (b) In a county whose population is 700,000 or more, an amount
31 equal to that portion of the proceeds which is equivalent to 60 cents
32 for each \$500 of value or fraction thereof must be transmitted to the
33 county treasurer for deposit in the county school district's fund for
34 capital projects established pursuant to NRS 387.328, to be held and
35 expended in the same manner as other money deposited in that fund.

36 (c) The remaining proceeds must be transmitted to the State
37 Controller for deposit in the Local Government Tax Distribution
38 Account created by NRS 360.660 for credit to the respective
39 accounts of Carson City and each county.

40 2. In addition to any other authorized use of the proceeds it
41 receives pursuant to subsection 1, a county or city may use the
42 proceeds to pay expenses related to or incurred for the development
43 of *tier one affordable housing and tier two* affordable housing. ~~for~~
44 ~~families whose income does not exceed 80 percent of the median~~
45 ~~income for families residing in the same county, as that percentage~~



1 ~~is defined by the United States Department of Housing and Urban~~
2 ~~Development.]~~ A county or city that uses the proceeds in that
3 manner must give priority to the development of *tier one affordable*
4 *housing and tier two* affordable housing for persons who are elderly
5 or persons with disabilities.

6 3. The expenses authorized by subsection 2 include, but are not
7 limited to:

8 (a) The costs to acquire land and developmental rights;

9 (b) Related predevelopment expenses;

10 (c) The costs to develop the land, including the payment of
11 related rebates;

12 (d) Contributions toward down payments made for the purchase
13 of affordable housing; and

14 (e) The creation of related trust funds.

15 **4. As used in this section:**

16 (a) *“Tier one affordable housing” has the meaning ascribed to*
17 *it in section 2 of this act.*

18 (b) *“Tier two affordable housing” has the meaning ascribed to*
19 *it in section 4 of this act.*

20 **Sec. 29.** NRS 279.397 is hereby repealed.

21 **Sec. 30.** This act becomes effective on July 1, 2019.

TEXT OF REPEALED SECTION

279.397 “Low-income household” defined. “Low-income household” means a household, which may include one or more persons, whose total gross income is less than 80 percent of the median gross income for households of the same size within the same geographic region.

