

CHAPTER.....

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:

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

Sections 2-4 and 6 of this bill revise that definition by establishing three tiers of affordable housing and defining “affordable housing” as housing that falls within any of the three tiers. **Section 2** of this bill defines “tier one affordable housing” as housing for a household that has a total monthly gross household income that is equal to not more than 60 percent of the median monthly gross household income for the county in which the housing is located. **Section 4** of this bill defines “tier two affordable housing” as housing for a household that has a total monthly gross household income that is equal to more than 60 percent but not more than 80 percent of the median monthly gross household income for the county in which the housing is located. **Section 3** of this bill defines “tier three affordable housing” as housing for a household that has a total monthly gross household income that is equal to more than 80 percent but not more than 120 percent of the median monthly gross household income for the county in which the housing is located. Housing at all three tiers is required to cost a household with an income at the maximum amount for the tier not more than 30 percent of the total monthly gross household income of the household.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

(b) Which costs not more than 30 percent of the total monthly gross household income of a household whose income equals 80



percent of the median monthly gross household income for the county in which the housing is located, including the cost of utilities.

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

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

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

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

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

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

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

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

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

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

279.425 It is further found and declared that:

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



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

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

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

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

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

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

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

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

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

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

(2) Support public educational activities and programs; or

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



↳ which are located in or within 1 mile of a redevelopment area or which serve pupils who reside in or within 1 mile of a redevelopment area; and

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

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

(2) Support public educational activities and programs; or

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

↳ described in paragraph (c).

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

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

4. The obligation of an agency to set aside an additional 3 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before October 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after



October 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

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

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

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

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

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

Sec. 11. NRS 279A.020 is hereby amended to read as follows:

279A.020 As used in this chapter, unless the context otherwise requires:

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

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

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

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

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

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

Sec. 12. NRS 279A.040 is hereby amended to read as follows:

279A.040 1. An applicant for a loan for the rehabilitation of residential property must, at the time application is made:

(a) Be a natural person who:



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

(2) Is a member of a household having a gross income of less than ~~180~~ 120 percent of the median gross income for households of the same size residing in the same county or city, as applicable, as that percentage is defined by the United States Department of Housing and Urban Development, or rents residential property to such households;

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

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

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

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

(b) Be an organization that:

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

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

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

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

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

(b) Capable of rehabilitation within reasonable limits; and

(c) Subject to not more than two encumbrances.

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

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

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

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

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



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

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

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

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

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

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

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

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

(a) Be a natural person who:

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

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

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

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

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

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

(b) Be an organization that:

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

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



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

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

- (a) Entirely situated within the boundaries of the city or within an unincorporated area of the county, as the case may be;
- (b) Capable of rehabilitation within reasonable limits; and
- (c) Subject to not more than two encumbrances.

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

118B.0105 “Account” means the Account for ~~Low Income~~ *Affordable* Housing created by NRS 319.500.

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

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

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

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

3. Study the:

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

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

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

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

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

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

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

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

7. Recommend proposed legislation to the Governor.

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

244.189 1. Except as otherwise provided in subsection 2 and in addition to any other powers authorized by specific statute, a board of county commissioners may exercise such powers and enact



such ordinances, not in conflict with the provisions of NRS or other laws or regulations of this State, as the board determines are necessary and proper for:

- (a) The development of affordable housing;
- (b) The control and protection of animals;
- (c) The rehabilitation of rental property in residential neighborhoods; and
- (d) The rehabilitation of abandoned residential property.

2. The board of county commissioners shall not impose or increase a tax unless the tax or increase is otherwise authorized by specific statute.

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

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

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

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

- (a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.
- (b) Purchased by the county pursuant to NRS 244.275.

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

- (a) Published at least once in a newspaper of general circulation in the county.
- (b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.
- (c) Posted in a conspicuous place on the property that is proposed for conveyance.

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

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

~~[[for families whose income at the time of application for such~~



~~housing does not exceed 80 percent of the median gross income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development.]~~ If the board of county commissioners receives more than one application for conveyance of the property, the board must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

3. The governing body may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the governing body that the organization or its assignee will use the property to develop affordable housing . ~~for families whose income at the time of application for such housing~~



~~does not exceed 80 percent of the median gross income for families residing in the same city, as that percentage is defined by the United States Department of Housing and Urban Development.]~~ If the governing body receives more than one application for conveyance of the property, the governing body must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the governing body that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

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

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

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

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

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

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

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

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

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



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

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

9. A governing body may subordinate the interest of the city in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the governing body deems necessary to promote investment in the construction of affordable housing.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Sec. 23. NRS 319.143 is hereby amended to read as follows:

319.143 1. The Division shall create and maintain a statewide low-income housing database.

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

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

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

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

(d) Provides a demographic and economic overview by local and county jurisdiction, if feasible, for the population of Nevada, including age, race and ethnicity, household size, migration, current and forecast employment, household income and a summary



relating to the effects of demographics and economic factors on housing demand;

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

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

3. The costs of creating and maintaining the database:

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

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

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

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

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

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

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

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

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



that bond reserve fund is not reduced below the requirement for the fund.

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

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

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

Sec. 26. NRS 319.510 is hereby amended to read as follows:

319.510 1. Except as otherwise provided in subsection 2, money deposited in the Account for ~~[Low-Income]~~ *Affordable* Housing must be used:

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

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

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

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

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

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



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

(a) Except as otherwise provided in subsection 3, 15 percent must be distributed to the Division of Welfare and Supportive Services of the Department of Health and Human Services for use in its program developed pursuant to 45 C.F.R. § 233.120 , *as that section existed on December 4, 1997*, to provide emergency assistance to needy families with children, subject to the following:

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

2. In addition to any other authorized use of the proceeds it receives pursuant to subsection 1, a county or city may use the proceeds to pay expenses related to or incurred for the development of *tier one affordable housing and tier two* affordable housing. ~~[for families whose income does not exceed 80 percent of the median income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development.]~~ A county or city that uses the proceeds in that manner must give priority to the development of *tier one affordable housing and tier two* affordable housing for persons who are elderly or persons with disabilities.

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

- (a) The costs to acquire land and developmental rights;
- (b) Related predevelopment expenses;
- (c) The costs to develop the land, including the payment of related rebates;
- (d) Contributions toward down payments made for the purchase of affordable housing; and
- (e) The creation of related trust funds.

4. As used in this section:

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

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

Sec. 29. NRS 279.397 is hereby repealed.

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

