ASSEMBLY BILL NO. 318–ASSEMBLYWOMAN BUCKLEY

FEBRUARY 24, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises provisions regarding conveyance of certain property by county or city to nonprofit organization for use as affordable housing. (BDR 20-227)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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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 local government; specifying the contents and requiring the recordation of an agreement pursuant to which a board of county commissioners or governing body of a city conveys certain property to a nonprofit organization for use as affordable housing; authorizing a county or city to take certain actions if a nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to such an agreement; and providing other matters properly relating thereto.

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

Section 1. 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. ~~[If a county that receives an application for conveyance pursuant to subsection 1 has a planning commission, the board of county commissioners shall refer the application to the planning commission. The planning commission shall consider the application and submit its recommendation to the board.~~

~~3.]~~ 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.

~~[4.]~~ ***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 ~~[for conveyance]~~ 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.

~~[5.]~~ ***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.

~~[6.]~~ ***5.*** As a condition to the conveyance of the property pursuant to subsection ~~[5,]~~ ***4,*** the board of county commissioners shall enter into an agreement with the nonprofit ~~[corporation that will ensure the affordability of any housing constructed on]~~ ***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 ~~[provide that the property automatically reverts to the county if, at any time after the date of conveyance pursuant to subsection 5,]~~ ***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 ~~[corporation]~~ ***organization or its assignee*** fails to ***use the property to*** provide affordable housing ~~[on the property.]~~ ***pursuant to the agreement.***

7. A board of county commissioners that has conveyed property pursuant to subsection ~~[5]~~ ***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 ~~[5,]~~ ***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 organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

Sec. 2. 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. ~~[If a city that receives an application for conveyance pursuant to subsection 1 has a planning commission, the governing body shall refer the application to the planning commission. The planning commission shall consider the application and submit its recommendation to the governing body.~~

~~3.]~~ 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.

~~[4.]~~ ***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 ~~[for conveyance]~~ 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.

~~[5.]~~ ***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.

~~[6.]~~ ***5.*** As a condition to the conveyance of the property pursuant to subsection ~~[5,]~~ ***4,*** the governing body shall enter into an agreement with the nonprofit ~~[corporation that will ensure the affordability of any housing constructed on]~~ ***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 ~~[provide that the property automatically reverts to the city if, at any time after the date of conveyance pursuant to subsection 5,]~~ ***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 ~~[corporation]~~ ***organization or its assignee*** fails to ***use the property to*** provide affordable housing ~~[on the property.]~~ ***pursuant to the agreement.***

7. A governing body that has conveyed property pursuant to subsection ~~[5]~~ ***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 ~~[5,]~~ ***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 organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

Sec. 3. This act becomes effective upon passage and approval.

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