

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:

- 1 **Section 1.** NRS 244.287 is hereby amended to read as follows:
2 244.287 1. A nonprofit organization may submit to a board of
3 county commissioners an application for conveyance of property that is
4 owned by the county if the property was:
5 (a) Received by donation for the use and benefit of the county pursuant
6 to NRS 244.270.
7 (b) Purchased by the county pursuant to NRS 244.275.
8 2. ~~If a county that receives an application for conveyance pursuant to~~
9 ~~subsection 1 has a planning commission, the board of county~~
10 ~~commissioners shall refer the application to the planning commission. The~~
11 ~~planning commission shall consider the application and submit its~~
12 ~~recommendation to the board.~~
13 ~~—3.1~~ Before the board of county commissioners makes a determination
14 on such an application for conveyance, it shall hold at least one public

1 hearing on the application. Notice of the time, place and specific purpose
2 of the hearing must be:

3 (a) Published at least once in a newspaper of general circulation in the
4 county.

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

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

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

12 ~~[4.]~~ 3. The board of county commissioners may approve such an
13 application for conveyance if the nonprofit organization demonstrates to
14 the satisfaction of the board that the organization *or its assignee* will use
15 the property to develop affordable housing for families whose income *at*
16 *the time of application for such housing* does not exceed 80 percent of the
17 median gross income for families residing in the same county, as that
18 percentage is defined by the United States Department of Housing and
19 Urban Development. If the board of county commissioners receives more
20 than one application for conveyance of the property, the board must give
21 priority to an application ~~[for conveyance]~~ of a nonprofit organization that
22 demonstrates to the satisfaction of the board that the organization *or its*
23 *assignee* will use the property to develop affordable housing for persons
24 who are disabled or elderly.

25 ~~[5.]~~ 4. If the board of county commissioners approves an application
26 for conveyance, it may convey the property to the nonprofit organization
27 without consideration. Such a conveyance must not be in contravention of
28 any condition in a gift or devise of the property to the county.

29 ~~[6.]~~ 5. As a condition to the conveyance of the property pursuant to
30 subsection ~~[5.]~~ 4, the board of county commissioners shall enter into an
31 agreement with the nonprofit ~~[corporation that will ensure the affordability~~
32 ~~of any housing constructed on]~~ *organization that requires the nonprofit*
33 *organization or its assignee to use the property* ~~[.]~~ *to provide affordable*
34 *housing for at least 50 years. If the nonprofit organization or its assignee*
35 *fails to use the property to provide affordable housing pursuant to the*
36 *agreement, the board of county commissioners may take reasonable*
37 *action to return the property to use as affordable housing, including,*
38 *without limitation:*

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

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

1 **6.** The agreement *required by subsection 5* must ~~provide that the~~
2 ~~property automatically reverts to the county if, at any time after the date of~~
3 ~~conveyance pursuant to subsection 5,]~~ *be recorded in the office of the*
4 *county recorder of the county in which the property is located and must*
5 *specify:*

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

8 *(b) The action that the board of county commissioners will take if the*
9 nonprofit ~~corporation]~~ *organization or its assignee* fails to *use the*
10 *property to* provide affordable housing ~~[on the property.] pursuant to the~~
11 *agreement.*

12 **7.** A board of county commissioners that has conveyed property
13 pursuant to subsection ~~[5]~~ **4** shall:

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

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

18 **8.** If, 5 years after the date of a conveyance pursuant to subsection ~~[5,]~~
19 **4**, a nonprofit organization *or its assignee* has not commenced construction
20 of affordable housing, or entered into such contracts as are necessary to
21 commence the construction of affordable housing, the property that was
22 conveyed automatically reverts to the county.

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

28 **10.** As used in this section, unless the context otherwise requires,
29 “nonprofit organization” means an organization that is recognized as
30 exempt pursuant to 26 U.S.C. § 501(c)(3).

31 **Sec. 2.** NRS 268.058 is hereby amended to read as follows:

32 268.058 1. A nonprofit organization may submit to the governing
33 body of a city an application for conveyance of property that is owned by
34 the city if the property was purchased or received by the city pursuant to
35 NRS 268.008.

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

41 ~~—3.]~~ Before the governing body makes a determination on such an
42 application for conveyance, it shall hold at least one public hearing on the

1 application. Notice of the time, place and specific purpose of the hearing
2 must be:

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

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

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

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

12 ~~[4.]~~ 3. The governing body may approve such an application for
13 conveyance if the nonprofit organization demonstrates to the satisfaction of
14 the governing body that the organization *or its assignee* will use the
15 property to develop affordable housing for families whose income *at the*
16 *time of application for such housing* does not exceed 80 percent of the
17 median gross income for families residing in the same city, as that
18 percentage is defined by the United States Department of Housing and
19 Urban Development. If the governing body receives more than one
20 application for conveyance of the property, the governing body must give
21 priority to an application ~~[for conveyance]~~ of a nonprofit organization that
22 demonstrates to the satisfaction of the governing body that the organization
23 *or its assignee* will use the property to develop affordable housing for
24 persons who are disabled or elderly.

25 ~~[5.]~~ 4. If the governing body approves an application for conveyance,
26 it may convey the property to the nonprofit organization without
27 consideration. Such a conveyance must not be in contravention of any
28 condition in a gift or devise of the property to the city.

29 ~~[6.]~~ 5. As a condition to the conveyance of the property pursuant to
30 subsection ~~[5.]~~ 4, the governing body shall enter into an agreement with
31 the nonprofit ~~[corporation that will ensure the affordability of any housing~~
32 ~~constructed on]~~ *organization that requires the nonprofit organization or*
33 *its assignee to use the property* ~~[.]~~ *to provide affordable housing for at*
34 *least 50 years. If the nonprofit organization or its assignee fails to use the*
35 *property to provide affordable housing pursuant to the agreement, the*
36 *governing body may take reasonable action to return the property to use*
37 *as affordable housing, including, without limitation:*

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

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

1 **6.** The agreement *required by subsection 5* must ~~provide that the~~
2 ~~property automatically reverts to the city if, at any time after the date of~~
3 ~~conveyance pursuant to subsection 5,~~ *be recorded in the office of the*
4 *county recorder of the county in which the property is located and must*
5 *specify:*

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

8 *(b) The action that the governing body will take if the nonprofit*
9 ~~corporation~~ *organization or its assignee fails to use the property to*
10 *provide affordable housing* ~~on the property.~~ *pursuant to the agreement.*

11 **7.** A governing body that has conveyed property pursuant to
12 subsection ~~5~~ **4** shall:

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

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

17 **8.** If, 5 years after the date of a conveyance pursuant to subsection ~~5,~~
18 **4**, a nonprofit organization *or its assignee* has not commenced construction
19 of affordable housing, or entered into such contracts as are necessary to
20 commence the construction of affordable housing, the property that was
21 conveyed automatically reverts to the city.

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

27 **10.** As used in this section, unless the context otherwise requires,
28 “nonprofit organization” means an organization that is recognized as
29 exempt pursuant to 26 U.S.C. § 501(c)(3).

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