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MODERNIZATION / DEVELOPMENT DEPARTMENT
2800 E. Walnut Avenue – Las Vegas Nv, 89101
702-922-6070 office / 702-922-6080 fax

TO: Committee of Commerce and Labor DATE: 03/26/03

THROUGH: Parviz Ghadiri, Executive Director, Housing Authority of the City of Las Vegas

FROM: Brian A. Sagert, Housing Authority of the City of Las Vegas

SUBJECT: Support of AB 230 to amend NRS 461A.230

CC: Housing Authority of the City of Las Vegas Board of Commissioners
Assemblywoman Barbara Buckley
Honorable Oscar Goodman, Mayor, City of Las Vegas
Thelma Clark, President, Rulon Earl Mobile Home Park Resident Council
Betty Turner, Executive Director, Housing Authority of Clark County
Don England, Executive Director, Housing Authority of the City of North Las Vegas

The Housing Authority of the City of Las Vegas (LVHA) is the largest provider of low income and affordable housing in the State of Nevada. The LVHA provides housing opportunities to a client base whose incomes total 80% and below the Area Median Income level. The LVHA portfolio contains over 2,500 units that consist of both Federally aided, and affordable housing units. Additionally, the LVHA administers over 4,000 Section 8 Vouchers. This report is submitted in support of AB 230 to revise provisions in NRS 461A that constrain the development of new affordable housing opportunities.

One affordable development owned and operated by the LVHA is the Rulon Earl Mobile Home Park. This development containing 71 spaces provides quality affordable accommodations for qualified low income Seniors who own their mobile homes, at rents that are far below comparable market rate properties. LVHA rents are currently between 40 to 60% lower per month than comparable rents in Senior developments (Exhibit A) in the Las Vegas marketplace.

The LVHA's intention is to develop approximately 58 new affordable spaces for Seniors at the Rulon Earl Mobile Home Park. However, due to the fees associated and cost to individually meter each new space required by NRS 461A.230 constrains the LVHA's ability to sustain the affordability in rents for our clients. Not only has this statute affected the LVHA's initiative, but it has additionally contributed to the lack of new mobile home park development in the Las Vegas marketplace.

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ASSEMBLY COMMERCE & LABOR
DATE: 3/26/03 ROOM: 4100 EXHIBIT K
SUBMITTED BY: Brian Sagert

NRS 461A.230 Subsection 3 currently states *"In a county whose population is 400,000 or more, each mobile home park constructed after October 1, 1995, must provide direct water service, as provided in paragraph (b) of subsection 2, that is connected to individual meters for each lot..."*

THE AFFECTS TO LVHA OF HAVING TO COMPLY WITH THE PROVISIONS OF NRS 461A.230:

1. Adds additional cost in fees and construction to the LVHA projects Total Development Cost (TDC).

An example of this is clearly demonstrated in the Las Vegas Valley Water District (LVVWD) schedule of Fees and Charges (Exhibit B) quoted for the LVHA 58 space extension project. The schedule displays a cost of fees to be \$168,780. Additional hard construction costs are associated with complying with this provision that include a new water supply line to the main service line. This cost is estimated to be \$75,000. The additional cost over the TDC for this project is \$243,780. Based upon a TDC of \$2,030,000, the fees and additional costs to install individual water meters adds more than 10% to the TDC.

Rulon Earl is an existing 71 space affordable Senior mobile home park with a Master Meter water supply system already serving the current residents and is an operational expense of the LVHA. The opportunity to tap into the existing water system and extend the service to the proposed 58 spaces is not currently available due to the statutory provision.

2. Affects the Affordability in rents to LVHA clients.

The ability of the LVHA to provide quality affordable housing opportunities to our clients is dependent on the cost of doing business. Any additional cost in development or operational expense will be reflective to the rents charged to our residents. As in any business, the income received from the rents must be able to support any debt and the operational expenses associated with that particular development.

An increase in cost is an increase in rent. Any increase in rents limits the LVHA's ability to continue to provide the low income housing opportunities to our clients, and/ or to accommodate the demand for low income housing in the Las Vegas Marketplace.

Rulon Earl is a 55 years of age and older Senior Community serving Seniors who have total assets of less than \$30,000. Based upon 2000 Census Statistics (Exhibit C), 20% of Clark County are 55 years of age or older, and nearly 40% of the population have annual household incomes under \$35,000. The more affordable rents the LVHA can provide will ensure more qualified Seniors the opportunity for quality affordable living accommodations.

DEMAND FOR MOBILE HOME PARKS:

The demand for mobile home housing opportunities is great in the Las Vegas marketplace. The demand is even greater for affordable mobile home rental opportunities. A market study (Exhibit D) performed by Market Profiles Inc. in 1999 for the Rulon Earl extension project indicated a demand for 500 lots per year. Additionally, indicated in the report is due to the LVHA's intent to provide below market rents to qualified Seniors, that the absorption rate of these new units would be expedient due to the demand.

RECOMMENDATION AND SUPPORT OF AB 230:

The decision as to the utilization of individual water meters or a master meter system should be upon the developer of the property, based upon the type of community they are developing. Whether the spaces will be for rent or sale; or whether the tenant or owner pays utilities; are variables that will decide which system will be best for that particular site. Having the ability to choose which system is best for that particular project will benefit both the developer and the end user.

From the LVHA perspective as a developer of affordable and low income housing, cost is one of the main considerations, and as NRS 461A230 is written, constrains the ability of the LVHA to progress on the development of new affordable mobile home spaces. By amending the statute to allow a master meter system, the LVHA can move forward with the development of the Rulon Earl extension, and identify other potential initiatives to continue to provide quality affordable housing opportunities for the future.

The recommendation is to revise NRS461A.230 as drafted in AB 230 that removes the requirement to provide individual water meters in newly developed mobile home parks.

Submitted by:



Brian A. Sagert, MBA
Acting Director Modernization / Development
Housing Authority of the City of Las Vegas
(702) 922-6070

Date:

3/26/03

Attachments:

1. Assembly Bill No. 230
2. Exhibit A – Rent Summary
3. Exhibit B – LVVWD Fee Schedule
4. Exhibit C – Census Statistics
5. Exhibit D – Market Study Data

A.B. 230

ASSEMBLY BILL NO. 230-ASSEMBLYWOMAN BUCKLEY

MARCH 4, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions regarding mobile home parks.
(BDR 40-202)

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

EXPLANATION - Matter in *bolded italics* is new; matter between brackets [*deleted material*] is material to be omitted.

AN ACT relating to mobile home parks; requiring certain membership on the board of directors of parks operated by nonprofit organizations; removing the requirement that certain parks provide individual meters for the water service provided to tenants; 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. Chapter 461A of NRS is hereby amended by adding thereto a new section to read as follows:

The board of directors of a mobile home park owned or leased by a nonprofit organization must consist of a number of members such that one-third of the members of the board are elected by the residents of the park, one-third of the members of the board are appointed by the governing body of the local government with jurisdiction over the location of the park and one-third of the members of the board are appointed by the nonprofit organization owning or leasing the park.

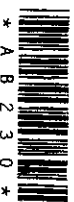
Sec. 2. NRS 461A.230 is hereby amended to read as follows:
461A.230 1. Each mobile home park constructed after July 1, 1981, but before October 1, 1989, must provide direct electrical and gas service from a utility or an alternative seller to each lot if those services are available.

2. Each mobile home park constructed after October 1, 1989, must provide direct:
(a) Electrical and gas service from a public utility or an alternative seller, or a city, county or other governmental entity which provides electrical or gas service, to each lot if those services are available.
(b) Water service from a public utility or a city, county or other governmental entity which provides water service, the provisions of NRS 704.230 notwithstanding, to the park if that service is available.
3. ~~For a county whose population is 400,000 or more, each mobile home park constructed after October 1, 1995, must provide direct water service, as provided in paragraph (b) of subsection 2, that is connected to individual meters for each lot. The individual meters must be installed in compliance with any uniform design and construction standards adopted by the public utility or city, county or other governmental entity which provides water service in the county.~~
4. As used in this section, "alternative seller" has the meaning ascribed to it in NRS 704.994.
Sec. 3. This act becomes effective on July 1, 2003.

(b)



* A B 2 3 0 *



* A B 2 3 0 *

**HOUSING AUTHORITY
CLARK COUNTY, NEVADA**

5390 EAST FLAMINGO ROAD • LAS VEGAS, NEV
PHONE (702) 451-8041 • FAX (702) 922-1626

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BARBARA ROBINSON, J.D., COMMISSIONER

BETTY J. TURNER, EXECUTIVE DIRECTOR

March 26, 2003

State of Nevada Assembly
Nevada Legislature
401 S. Carson Street
Carson City, NV 89701-4747

Attn: Committee on Commerce and Labor

Subject: Support of Assembly Bill No. 230

Dear Members:

This letter is submitted as support of Assembly Bill Number 230, to revise the Nevada Revised Statute 461A.230, eliminating the requirement to provide individual water meters at each newly developed mobile home site.

Your cooperation is greatly appreciated in sustaining our mission to provide quality affordable housing opportunities to the citizens of Nevada.

Sincerely,

Betty J. Turner
Executive Director

ds

Exhibit "A"

Summary of Senior Mobile Home Parks

Mobile Home Park	1999 Monthly Rent	2003 Monthly Rent	Comments
EVHA Rulon Earl MHP 3901 E. Stewart	\$185 \$205	\$185 \$205	single double includes water/sewer/trash
Boulder Cascade 1601 South Sandhill	\$438 \$453	\$510 \$540	includes water/sewer/trash
Maycliff 3601 South Lamb	\$305 ~ \$335 \$320 ~ \$355	\$340 ~ \$355 \$370 ~ \$390	older section newer section includes water/sewer/trash
Sand Creek 2627 South Lamb	\$290 \$300	\$340 \$350 (+ \$5 for corner lot)	single double includes water/sewer/trash
Shadow Mountain Village 2800 South Lamb	\$286 \$295	\$340 \$349	single double utilities are extra
Cactus Ridge 2700 West Richmar	\$395	\$395	double-wide only only sewer included all other utilities are extra

EXHIBIT "B"

Las Vegas Valley Water District

Fees, Charges, Deposits and Refunds - Excluding Regional Connection Charge

Subject To District Audit And Approval

Prepared By: _____ Date: 03/20/02 Project Number: _____
 Checked By: _____ Date: _____ Pressure Zone: _____
 Quad Sheet(s): _____ High Pressure? Y/N: _____
 Agreement: _____

Assessor Parcel NOS:

Drawing Title: US 95 & STEWART MHP

Agreement Type

☐ Construction Agreement ☐ Subdivision PAC#/Permit# _____
☐ CLV Master Agreement ☐ Services Connection Total Sq. Footage _____
☐ CCPW Master Agreement ☐ Main Extension Number of Buildings _____
☐ CCSD Master Agreement

Meter, Fire Service, Facility Connection, & Oversize Charges:

Meter Size		8.9 Service Connection Meters		8.11 Facilities Connection Charge Equity Buy-In		8.12 - Oversizing Charge Area II		
Qty	Size	Cost ea.	Total	Cost ea.	Total	Cost ea.	Apply Y/N	Total
58	~6/8"	\$33	1,914	\$440	25,520	\$250	N	0
	3/4"	\$43	0	\$660	0	\$380		0
	1"	\$67	0	\$1,100	0	\$630		0
	1 1/2"	\$192	0	\$2,200	0	\$1,250		0
	2"	\$254	0	\$3,520	0	\$2,000		0
	x 2"			\$3,520	0	\$2,000		0
	x 3"			\$7,040	0	\$3,750		0
	x 4"			\$11,000	0	\$6,250		0
	x 6"			\$22,000	0	\$12,500		0
	x 8"			\$35,200	0	\$20,000		0
Account Subtotals		(25700)	\$1,914	(27112)	\$25,520	(27113)		\$0
								Total: \$27,434

8.4 Backflow Prevention (27101)

Qty: _____ Size: _____ Type: _____ Qty: _____ Size: _____ Type: _____
 Qty: _____ Size: _____ Type: _____ Qty: _____ Size: _____ Type: _____

8.10 Frontage Connection Charge

Connect to a Non-Residential Main Extension: Length: _____ Charge/ft \$17 0
 Length: _____ Charge/ft \$17 0 Total: \$0

8.13 Application Fee (41300)

	Charge Ea.	Subtotal
Domestic Meters:		\$8,120
Public Fire Hydrant w/o Domestic Meter:	\$500	\$0
Private Fire Line w/o Domestic Meter:	\$750	\$0
Subtract Pre-Paid Applications Fees:		
		Total: \$8,120

8.14 Inspection Fee (41301)

Qty	Description	Charge Ea.
58	Domestic Service 2" or Less	\$185 10,730
	Combination Domestic Service Greater Than 2"	\$1,000 0
	Private Firelines	\$550 0
	Public FH w/o Domestic Service	\$350 0
	Subtract PrePaid Inspection Fees	
		Total: \$10,730

Additional Credits/Debit

Assessment District Credit(25725): AD# _____ Unit# _____ Acres: _____ @ \$500/ac 0
 Feeder Main Connection Credit AR# _____ RME# _____ Acres: _____ @ \$500/ac 0
 Miscellaneous Credits or Debits _____ Total \$0

Totals

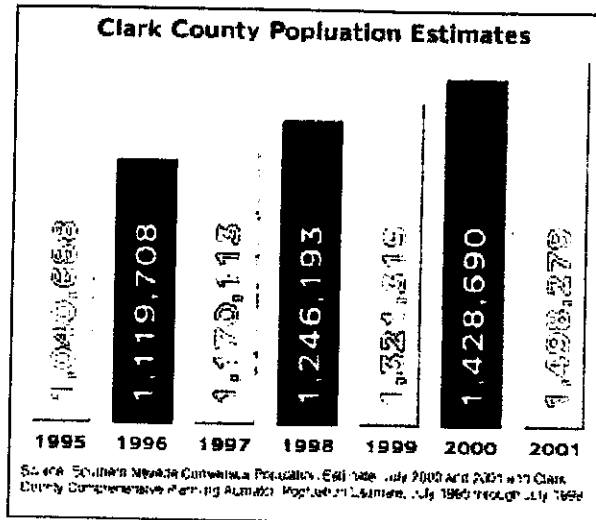
8.13 Application Fee (41300) \$8,120
 8.14 Inspection Fee (41301) \$10,730
 Additional Credits/Debit \$0
 Facility Connection, & Oversize Charges Credit: (\$0)
 SubTotal: \$46,284

	2/7/00 to 2/4/01	2/5/01 to 2/3/02	2/4/02 to 2/2/03	2/3/03 to 2/1/04	2/2/04
District Fees	\$46,284	\$46,284	\$46,284	\$46,284	\$46,284
Regional Fees	\$119,364	\$120,408	\$121,452	\$122,496	\$123,888
Grand Total	\$165,648	\$166,692	\$167,736	\$168,780	\$170,172

Comments:

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EXHIBIT "C"



Average annual growth rate, 1995-2001=6.27%

Clark County Age Group Percentages

Under 5	7.5%
5 to 14	14.3%
15 to 24	12.9%
25 to 34	16.2%
35 to 44	16.0%
45 to 54	12.9%
55 to 64	9.4%
65 to 74	6.6%
75 to 84	3.4%
Over 54	0.6%

Source: U.S. Census Bureau, July 1, 2000

Clark County Race/Ethnicity Percentages

White	60.23%
Hispanic or Latino	21.96%
Black/African American	8.82%
Asian	5.18%
Hawaiian/Pacific Islander	0.43%
American Indian/Alaska Native	0.56%
Some other race	0.15%
Pop. of two or more races	2.67%

Source: U.S. Census Bureau, July 1, 2000

Income

Median household income \$43,787

Household income

less than \$15,000	9.6%
\$15,000-\$19,999	6.8%
\$20,000-\$24,999	8.5%
\$25,000-\$34,999	13.4%
\$35,000-\$49,999	19.8%
\$50,000-\$74,999	21.4%
\$75,000-\$99,999	11.0%
more than \$100,000	9.5%

EXHIBIT "D"

Market Profiles, Inc.

The major impetus to employment growth is the construction of new hotel rooms. The high rate of hotel construction is projected to moderate in 2000 and 2001 (see Section II). The pace of job growth is projected to be between 4.0 and 4.5 percent per year over the next two years.

The strong employment growth has fueled consistently strong demand for new homes throughout the metro area. The demand for new mobile home is closely related to the strength of the overall housing market. The construction of new single family homes has averaged 19,000 homes per year over the past three years. Over the past four quarters, nearly 22,000 new homes were sold (21,983 homes).

A slight cooling in the rate of housing growth is projected for 2000 and 2001. Annual sales of new detached homes are projected to average between 16,000 and 17,000 homes per year (see Section II). Overall demand for housing units of all types is projected to average 27,000 units per year. Mobile homes are projected to account for 2.0 percent of the annual housing demand, or about 500 homes per year. This a realistic projection given that mobile homes currently account for 5.6 percent of the metro area's total housing units.

THE MARKET OPPORTUNITY

The Las Vegas Metro area currently offers favorable opportunities for the marketing of mobile homes. Presently, mobile homes account for 5.6 percent of all housing units in the region. This equates to nearly 30,000 homes. During the decade of the 1990's very few new mobile home subdivisions were developed. Consequently, significant pent-up demand for new mobile home neighborhoods has accumulated.

Over the past three years, three new mobile home parks have been constructed. These parks account for a total of 652 new lots. Two family parks (Sunrise and Sunrise Gardens) account for 284 lots, and the balance of the new lots (268) are within an age-restricted, seniors community (Cactus Ridge). These three new mobile home parks have dissipated the majority of the pent-up demand for new mobile home lots that had build up over the past several years when no new parks had been developed. However, the demand for new lots will continue to grow over the next several years. As discussed above, the demand for new lots is projected to average 500 lots per year.

The primary alternatives to a new mobile home are a new townhome or an older single family home. The combination of factors offered by residency in a new mobile home community, i.e., new unit, detached configuration, single story plan, recreational amenities, and affordability, are sufficiently attractive to consistently capture a share of the housing market. Historically, this share has ranged from about five to ten percent. However, during the decade of the 1990's, the mobile home market sector accounted for only about one percent of the housing market.