

ASSEMBLY BILL NO. 201—ASSEMBLYMEN HORNE, PIERCE, LESLIE,
GIUNCHIGLIANI, PARKS, ALLEN, ANDERSON, ATKINSON,
BUCKLEY, CARPENTER, CONKLIN, DENIS, GERHARDT,
GOICOECHEA, GRADY, HETTRICK, HOGAN, KIRKPATRICK,
KOIVISTO, MARVEL, OCEGUERA, OHRENSCHALL, PERKINS,
SHERER AND SMITH (BY REQUEST)

MARCH 14, 2005

JOINT SPONSORS: SENATORS WIENER, HORSFORD, CARLTON,
CARE, BEERS, COFFIN, HECK AND LEE

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to rehabilitation of
certain residential property. (BDR 22-813)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 residential property; providing for the
participation of certain nonprofit organizations in
programs for the rehabilitation of residential
neighborhoods and abandoned residential property; and
providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the governing body of a county or city to establish by
2 ordinance programs for the rehabilitation of residential neighborhoods and for the
3 rehabilitation of abandoned residential properties that have been acquired by
4 the governing body. (NRS 279A.030, 279B.020, 279B.030) Under a program for
5 the rehabilitation of residential neighborhoods, a natural person who meets certain
6 criteria may apply to the governing body for a loan to rehabilitate his residential
7 property. (NRS 279A.040) Under a program for the rehabilitation of abandoned
8 residential property, a natural person who meets certain criteria may apply to the
9 governing body to rehabilitate an abandoned residential property owned by
10 the governing body. (NRS 279B.040) If the person successfully completes the
11 rehabilitation, the governing body will transfer title of the property to the person.
12 (NRS 279B.060)



This bill allows nonprofit organizations to be eligible for such programs. Thus, nonprofit organizations that meet certain criteria may apply for and receive loans to rehabilitate residential properties and may apply to rehabilitate and receive title to abandoned residential properties owned by a governing body. This bill does not affect the ability of qualified natural persons to participate in programs for the rehabilitation of residential neighborhoods and abandoned residential properties.

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

Section 1. 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 ~~f~~ ~~(b) Be~~;

(2) *Is* a member of a household having a gross income of less than 80 percent of the median gross income for households of the same size within the same geographic area or ~~rent~~ *rents* residential property to such households ~~f~~

~~(c) Own and reside~~;

(3) *Owns and resides* on or ~~rent~~ *rents* for residential purposes only the property for which the loan is sought ~~f~~

~~(d) Have~~;

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

~~(e) Have~~;

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

~~(f) Meet~~; and

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

(b) *Be an organization that:*

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

(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:



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

5 **Sec. 2.** NRS 279A.050 is hereby amended to read as follows:

6 279A.050 1. Upon receiving an application for a loan for the

7 rehabilitation of residential property, the agency shall:

8 (a) Inspect the property to determine if rehabilitation of the

9 property is feasible ~~H~~ ; and

10 (b) Determine the amount of the loan that the condition of the

11 property justifies.

12 2. After inspection of the property, the agency shall interview

13 the applicant *or, if the applicant is an organization described in*

14 *paragraph (b) of subsection 1 of NRS 279A.040, the representative*

15 *of the organization*, to determine if the applicant satisfies the

16 criteria for eligibility for a loan and, if ~~the~~ *the applicant* satisfies

17 those criteria, the amount, terms and conditions of the loan.

18 3. The agency shall recommend to the governing body the

19 amount of the loan, if any, and the terms and conditions of the loan.

20 **Sec. 3.** NRS 279A.060 is hereby amended to read as follows:

21 279A.060 If the governing body approves the application for a

22 loan, the loan must be:

23 1. Evidenced by a promissory note, the principal amount of

24 which must be equal to the amount of the loan, secured by a

25 mortgage on the property ~~H~~ ; and

26 2. Made pursuant to an agreement between the county or city

27 and the *natural* person *or organization* to whom the loan is made,

28 identifying the property, specifying the amount and period of, and

29 rate of interest on, the loan and providing that:

30 (a) The property must be rehabilitated for decent, safe and

31 sanitary residential use; and

32 (b) The rehabilitation must begin and be completed within a

33 period determined by the governing body.

34 **Sec. 4.** NRS 279A.070 is hereby amended to read as follows:

35 279A.070 1. A *natural* person to whom a loan is made

36 pursuant to this chapter shall:

37 (a) Maintain the property in a decent, safe and sanitary

38 condition; and

39 (b) Reside, or have a member of his family reside, on the

40 property.

41 2. *An organization to which a loan is made pursuant to this*

42 *chapter shall maintain the property in a decent, safe and sanitary*

43 *condition.*



1 **3.** If the *natural* person *or organization* to whom a loan is
2 made is unable to repay in accordance with the established schedule,
3 the governing body may defer, upon good cause shown, repayment
4 of the amount of the loan until the sale of the rehabilitated property.

5 **Sec. 5.** NRS 279A.100 is hereby amended to read as follows:

6 279A.100 If at any time the aggregate amount represented by
7 pending applications from qualified applicants for loans for the
8 rehabilitation of residential property exceeds the amount available in
9 the fund, the governing body shall give preference to ~~those~~
10 ~~applicants~~ :

11 **1. Applicants** who are members of households having a gross
12 income that is 50 percent or less of the median gross income for
13 households of the same size within the same geographic area ~~H~~ ;
14 *and*

15 **2. Applicants that are organizations which serve natural**
16 *persons described in subsection 1.*

17 **Sec. 6.** 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 ~~[(b) Be]~~

24 **(2) Is** a member of a household having a gross income of less
25 than 80 percent of the median gross income for households of the
26 same size within the same geographic area;

27 ~~[(c) Intend]~~

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

30 ~~[(d) Have]~~

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

33 ~~[(e) Have]~~

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

37 ~~[(f) Meet]~~

38 **(6) Meets** such other requirements as are imposed by the
39 governing body ~~H~~ ; *or*

40 **(b) Be an organization that:**

41 **(1) Is recognized as exempt pursuant to 26 U.S.C. §**
42 **501(c)(3);**

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



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

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

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

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

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

10 **Sec. 7.** NRS 279B.050 is hereby amended to read as follows:

11 279B.050 1. Upon receiving an application for rehabilitation
12 of abandoned residential property, the agency shall inspect the
13 property to determine if rehabilitation of the property is feasible.

14 2. After inspection of the property, the agency shall interview
15 the applicant ***or, if the applicant is an organization described in***
16 ***paragraph (b) of subsection 1 of NRS 279B.040, the representative***
17 ***of the organization,*** to determine if the applicant satisfies the
18 criteria for eligibility for the rehabilitation of abandoned residential
19 property and, if ~~the~~ ***the applicant*** satisfies those criteria, the terms
20 and conditions of the agreement to rehabilitate the property.

21 3. The agency shall recommend to the governing body the
22 terms and conditions of the agreement.

23 **Sec. 8.** NRS 279B.070 is hereby amended to read as follows:

24 279B.070 ***1. A natural*** person to whom title to abandoned
25 residential property is conveyed pursuant to this chapter shall:

26 ~~1-1~~ ***(a)*** Maintain the property in a decent, safe and sanitary
27 condition; and

28 ~~1-2~~ ***(b)*** Reside on the property.

29 ***2. An organization to which title to abandoned residential***
30 ***property is conveyed pursuant to this chapter shall maintain the***
31 ***property in a decent, safe and sanitary condition.***

32 **Sec. 9.** NRS 279B.090 is hereby amended to read as follows:

33 279B.090 If at any time the number of pending applications
34 from qualified applicants for the rehabilitation of abandoned
35 residential property exceeds the number of abandoned properties
36 available for rehabilitation, the governing body shall give preference
37 to ~~those applicants~~ :

38 ***1. Applicants*** who are members of households having a gross
39 income that is 50 percent or less of the median gross income for
40 households of the same size within the same geographic area ~~1-1~~ ;
41 ***and***



- 1 2. *Applicants that are organizations which serve natural*
- 2 *persons described in subsection 1.*



