

ASSEMBLY BILL NO. 603—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMISSION’S
SUBCOMMITTEE TO STUDY THE AVAILABILITY
AND INVENTORY OF AFFORDABLE HOUSING)

MARCH 26, 2007

Referred to Concurrent Committees on
Government Affairs and Ways and Means

SUMMARY—Makes various changes relating to affordable
housing. (BDR 25-139)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation not included
in Executive Budget.

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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 housing; creating the Account for Workforce
Housing to provide money for certain affordable housing
projects; providing that money from the Account for
Low-Income Housing may be used to assemble and
acquire property for the development of affordable
housing; making appropriations; and providing other
matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Account for Low-Income Housing (NRS 319.500-
2 319.520) and the Fund for Low-Income Owners of Manufactured Homes (NRS
3 118B.211-118B.219) to assist in providing housing for specified low-income
4 families. **Sections 2-4** of this bill create the Account for Workforce Housing to
5 assist in providing housing for families whose income exceeds 80 percent but does
6 not exceed 120 percent of the area median income. **Sections 2-4** of this bill, which
7 will govern the new Account for Workforce Housing, are modeled on the
8 applicable provisions governing the existing Account for Low-Income Housing.
9 **Section 8** of this bill provides that money from the existing Account for Low-
10 Income Housing may be used by local governments to assemble and acquire
11 property for affordable housing. **Section 9** of this bill makes appropriations to the
12 Account for Low-Income Housing, the Account for Workforce Housing and the
13 Fund for Low-Income Owners of Manufactured Homes.



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

Section 1. Chapter 319 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. 1. *There is hereby created in the State General Fund the Account for Workforce 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. 3. 1. *Money deposited in the Account for Workforce Housing must be used:*

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

(b) To assemble and acquire property for the development of affordable housing by local governments through loans, grants or subsidies;

(c) 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 housing for workforce families;

(d) 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 workforce families;

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

(f) In any other manner consistent with this section to assist workforce families in obtaining or keeping 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 from the Federal Government. In no case*



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1 *may the Division expend more than \$40,000 per year or an*
2 *amount equal to 6 percent of any money made available to the*
3 *State by the Federal Government, whichever is greater. The*
4 *remaining money allocated from the Account must be distributed*
5 *to public or private nonprofit charitable organizations, housing*
6 *authorities and local governments for the acquisition, construction*
7 *and rehabilitation of housing for workforce families, or to local*
8 *governments to assemble and acquire property for the*
9 *development of affordable housing, subject to the following:*

10 (a) *Priority must be given to those projects that qualify for a*
11 *federal tax credit relating to housing.*

12 (b) *Priority must be given to those projects that anticipate*
13 *receiving federal money to match the state money distributed to*
14 *them.*

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

17 (d) *All money must be used to benefit workforce families.*

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

20 3. *As used in this section, "workforce families" means*
21 *families whose income exceeds 80 percent but does not exceed 120*
22 *percent of the median income for families residing in the same*
23 *county, as defined by the United States Department of Housing*
24 *and Urban Development.*

25 **Sec. 4. 1.** *The Administrator shall consult with*
26 *representatives of housing authorities, organizations of persons in*
27 *the workforce, providers of housing, financial institutions and*
28 *other persons interested in the provision of housing to persons in*
29 *the workforce, and adopt regulations establishing:*

30 (a) *Criteria for the distribution and use of money from the*
31 *Account for Workforce Housing; and*

32 (b) *Procedures for the Division and the local governments that*
33 *receive money pursuant to section 3 of this act to monitor the use*
34 *of money from the Account and to enforce the provisions of this*
35 *section and sections 2 and 3 of this act.*

36 ↪ *The regulations must be designed to maximize the efficient use*
37 *of money in the Account and to promote the participation and*
38 *assistance of local governments.*

39 2. *A recipient of money from the Account shall comply with*
40 *the regulations of the Administrator and provide such reports to*
41 *the Division and the local governments that receive money*
42 *pursuant to section 3 of this act upon the use of the money as the*
43 *Administrator requires.*



1 **Sec. 5.** NRS 319.170 is hereby amended to read as follows:

2 319.170 Except as otherwise provided in NRS 319.500 ~~§~~ *and*
3 *section 2 of this act*, the Division may:

4 1. Establish such funds or accounts as may be necessary or
5 desirable for furtherance of the purposes of this chapter.

6 2. Invest or deposit its money, subject to any agreement with
7 bondholders or noteholders, and is not required to keep any of its
8 money in the State Treasury. The provisions of chapters 355 and
9 356 of NRS do not apply to such investments or deposits.

10 **Sec. 6.** NRS 319.171 is hereby amended to read as follows:

11 319.171 Except as otherwise provided in NRS 319.500 ~~§~~ *and*
12 *section 2 of this act*, the Division may invest its money in
13 collateralized mortgage obligations or in trusts created to finance,
14 acquire or invest in collateralized mortgage obligations if the
15 collateralized mortgage obligations or trusts so created are:

16 1. In furtherance of the purposes of the Division; and

17 2. Rated within one of the top three rating categories of a
18 national rating service at the time the investment is made.

19 **Sec. 7.** NRS 319.340 is hereby amended to read as follows:

20 319.340 1. The Division may establish one or more bond
21 reserve funds, and shall pay into each such bond reserve fund:

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

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

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

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

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



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1 *Housing created pursuant to section 2 of this act*, to the extent that
2 the amount of that bond reserve fund is not reduced below the
3 requirement for the fund.

4 **Sec. 8.** NRS 319.510 is hereby amended to read as follows:

5 319.510 1. Money deposited in the Account for Low-Income
6 Housing must be used:

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

11 (b) *To assemble and acquire property for the development of*
12 *affordable housing by local governments through loans, grants or*
13 *subsidies;*

14 (c) To provide technical and financial assistance to public or
15 private nonprofit charitable organizations, housing authorities and
16 local governments for the acquisition, construction or rehabilitation
17 of housing for eligible families;

18 ~~(e)~~ (d) To provide funding for projects of public or private
19 nonprofit charitable organizations, housing authorities or local
20 governments that provide assistance to or guarantee the payment of
21 rent or deposits as security for rent for eligible families, including
22 homeless persons;

23 ~~(d)~~ (e) To reimburse the Division for the costs of administering
24 the Account; and

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

29 2. Except as otherwise provided in this subsection, the Division
30 may expend money from the Account as reimbursement for the
31 necessary costs of efficiently administering the Account and any
32 money received pursuant to 42 U.S.C. §§ 12701 et seq. In no case
33 may the Division expend more than \$40,000 per year or an amount
34 equal to 6 percent of any money made available to the State
35 pursuant to 42 U.S.C. §§ 12701 et seq., whichever is greater. Of the
36 remaining money allocated from the Account:

37 (a) Except as otherwise provided in subsection 3, 15 percent
38 must be distributed to the Division of Welfare and Supportive
39 Services of the Department of Health and Human Services for use in
40 its program developed pursuant to 45 C.F.R. § 233.120 to provide
41 emergency assistance to needy families with children, subject to the
42 following:

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



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(2) The money must be used solely for activities relating to low-income 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 housing for eligible families, *or to local governments to assemble and acquire property for the development of affordable housing*, 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 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. 9. There is hereby appropriated from the State General Fund to:

1. The Account for Low-Income Housing created pursuant to NRS 319.500 the sum of \$15,000,000.



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- 1 2. The Account for Workforce Housing created pursuant to
- 2 section 2 of this act the sum of \$15,000,000.
- 3 3. The Fund for Low-Income Owners of Manufactured Homes
- 4 created pursuant to NRS 118B.215 the sum of \$3,000,000.
- 5 **Sec. 10.** This act becomes effective upon passage and
- 6 approval.

