

SENATE BILL NO. 103—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE COMMITTEE TO STUDY
ISSUES REGARDING AFFORDABLE HOUSING)

PREFILED JANUARY 28, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to development and maintenance of affordable housing. (BDR 22-379)

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 affordable housing; authorizing certain local governments to reduce or subsidize impact fees, fees for the issuance of building permits and fees imposed for the purpose for which an enterprise fund was created; requiring that a local government make certain determinations and hold a public hearing before reducing or subsidizing fees imposed for the purpose for which an enterprise fund was created; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the governing bodies of certain cities and counties to adopt at least 6 of 12 specified measures in implementing a plan for maintaining and developing affordable housing. One of these measures authorizes a governing body to subsidize in whole or in part impact fees and fees for the issuance of building permits. (NRS 278.235) This bill authorizes a governing body to reduce or subsidize impact fees, fees for the issuance of building permits and fees imposed for the purpose for which an enterprise fund was created. This bill also requires that, before a governing body reduces or subsidizes fees imposed for the purpose for which an enterprise fund was created, the governing body must: (1) make a determination that reducing or subsidizing such fees will not impair any bond obligations or other obligations; and (2) hold a public hearing concerning the effect of the reduction or subsidization on the economic viability of the general fund of the city or county and the economic viability of any affected enterprise fund.



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

Section 1. NRS 278.235 is hereby amended to read as follows:

278.235 1. If the governing body of a city or county is required to include the housing element in its master plan pursuant to NRS 278.150, the governing body, in carrying out the plan for maintaining and developing affordable housing to meet the housing needs of the community, which is required to be included in the housing element pursuant to subparagraph (8) of paragraph (c) of subsection 1 of NRS 278.160, shall adopt at least six of the following measures:

(a) ~~At the expense of the city or county, as applicable,~~ *Reducing or* subsidizing in whole or in part impact fees, ~~and~~ fees for the issuance of building permits collected pursuant to NRS 278.580 ~~and fees imposed for the purpose for which an enterprise fund was created.~~

(b) Selling land owned by the city or county, as applicable, to developers exclusively for the development of affordable housing at not more than 10 percent of the appraised value of the land, and requiring that any such savings, subsidy or reduction in price be passed on to the purchaser of housing in such a development. Nothing in this paragraph authorizes a city or county to obtain land pursuant to the power of eminent domain for the purposes set forth in this paragraph.

(c) Donating land owned by the city or county to a nonprofit organization to be used for affordable housing.

(d) Leasing land by the city or county to be used for affordable housing.

(e) Requesting to purchase land owned by the Federal Government at a discounted price for the creation of affordable housing pursuant to the provisions of section 7(b) of the Southern Nevada Public Land Management Act of 1998, Public Law 105-263.

(f) Establishing a trust fund for affordable housing that must be used for the acquisition, construction or rehabilitation of affordable housing.

(g) Establishing a process that expedites the approval of plans and specifications relating to maintaining and developing affordable housing.

(h) Providing money, support or density bonuses for affordable housing developments that are financed, wholly or in part, with low-income housing tax credits, private activity bonds or money from a governmental entity for affordable housing, including, without



1 limitation, money received pursuant to 12 U.S.C. § 1701q and 42
2 U.S.C. § 8013.

3 (i) Providing financial incentives or density bonuses to promote
4 appropriate transit-oriented housing developments that would
5 include an affordable housing component.

6 (j) Offering density bonuses or other incentives to encourage the
7 development of affordable housing.

8 (k) Providing direct financial assistance to qualified applicants
9 for the purchase or rental of affordable housing.

10 (l) Providing money for supportive services necessary to enable
11 persons with supportive housing needs to reside in affordable
12 housing in accordance with a need for supportive housing identified
13 in the 5-year consolidated plan adopted by the United States
14 Department of Housing and Urban Development for the city or
15 county pursuant to 42 U.S.C. § 12705 and described in 24 C.F.R.
16 Part 91.

17 2. *Before a governing body reduces or subsidizes fees*
18 *imposed for the purpose for which an enterprise fund was created,*
19 *pursuant to paragraph (a) of subsection 1, the governing body*
20 *shall:*

21 (a) *Make a determination that reducing or subsidizing such*
22 *fees will not impair adversely the ability of the governing body to*
23 *pay, when due, all interest and principal on any outstanding bonds*
24 *or any other obligations for which revenue from such fees was*
25 *pledged; and*

26 (b) *Hold a public hearing concerning the effect of the*
27 *reduction or subsidization of such fees on the economic viability of*
28 *the general fund of the city or county, as applicable, and the*
29 *economic viability of any affected enterprise fund.*

30 3. On or before January 15 of each year, the governing body
31 shall submit to the Housing Division of the Department of Business
32 and Industry a report, in the form prescribed by the Division, of how
33 the measures adopted pursuant to subsection 1 assisted the city or
34 county in maintaining and developing affordable housing to meet
35 the needs of the community for the preceding year. The report must
36 include an analysis of the need for affordable housing within the city
37 or county that exists at the end of the reporting period.

38 ~~§ 3~~ 4. On or before February 15 of each year, the Housing
39 Division shall compile the reports submitted pursuant to subsection
40 ~~§ 2~~ 3 and post the compilation on the Internet website of the
41 Housing Division.

42 **Sec. 2.** This act becomes effective on July 1, 2019.

