

CHAPTER.....

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 to assist in maintaining or developing a project for affordable housing under certain circumstances; 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 to assist in maintaining or developing a project for affordable housing if the project meets certain requirements and the governing body takes certain actions. This bill authorizes a governing body to reduce or subsidize such fees to assist a project for affordable housing only if: (1) the project meets certain requirements relating to the affordability of the housing; (2) the governing body has adopted an ordinance setting forth criteria for a project to qualify for such assistance and the project satisfies such criteria; (3) the governing body makes a determination that reducing or subsidizing such fees will not impair any bond obligations or other obligations; and (4) the governing body holds 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, if applicable, the economic viability of any affected enterprise fund.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

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

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

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

(l) Providing money for supportive services necessary to enable persons with supportive housing needs to reside in affordable housing in accordance with a need for supportive housing identified in the 5-year consolidated plan adopted by the United States



Department of Housing and Urban Development for the city or county pursuant to 42 U.S.C. § 12705 and described in 24 C.F.R. Part 91.

2. *A governing body may reduce or subsidize impact fees, fees for the issuance of building permits or fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing, pursuant to paragraph (a) of subsection 1, only if:*

(a) When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for the county concerned based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for the county.

(b) The governing body has adopted an ordinance that establishes the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing. Such criteria must be designed to put into effect all relevant elements of the master plan adopted by the governing body pursuant to NRS 278.150.

(c) The project for affordable housing satisfies the criteria set forth in the ordinance adopted pursuant to paragraph (b).

(d) The governing body makes a determination that reducing or subsidizing such fees will not impair adversely the ability of the governing body to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such fees was pledged.

(e) The governing body holds a public hearing concerning the effect of the reduction or subsidization of such fees on the economic viability of the general fund of the city or county, as applicable, and, if applicable, the economic viability of any affected enterprise fund.

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

~~3.1~~ 4. On or before February 15 of each year, the Housing Division shall compile the reports submitted pursuant to subsection



~~[2]~~ **3** and post the compilation on the Internet website of the Housing Division.

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

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