### SENATE BILL NO. 450–SENATORS NEAL, FLORES AND DONATE

### APRIL 17, 2023

# Referred to Committee on Revenue and Economic Development

SUMMARY—Establishes a program for the relocation of persons residing in the Windsor Park neighborhood of the City of North Las Vegas. (BDR S-794)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.

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

CONTAINS UNFUNDED MANDATE (§ 9) (NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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; establishing a program for the relocation of persons residing in single-family residences in the Windsor Park neighborhood of the City of North Las Vegas; making an appropriation; and providing other matters properly relating thereto.

#### **Legislative Counsel's Digest:**

This bill enacts the Windsor Park Environmental Justice Act, which establishes a program for the relocation of persons residing in the Windsor Park neighborhood of the City of North Las Vegas whose residences have been damaged by the sinking of the ground beneath the residences. **Section 2** of this bill sets forth a legislative declaration that is necessary to enact a law of local and special application to provide the residents of Windsor Park a solution to the unique problems of the neighborhood. **Sections 3-8** of this bill define relevant terms for the Act. **Section 8** defines the area that constitutes the Windsor Park neighborhood.

**Section 9** of this bill requires the Housing Division of the Department of Business and Industry to establish and administer a program by which the owner of a single-family residence in the Windsor Park neighborhood who owns the residence on July 1, 2023, may exchange the residence in the Windsor Park neighborhood for a new residence constructed in accordance with provisions of **section 9**. Under **section 9**, the Housing Division is required to select a governmental entity, a nonprofit corporation or any other entity engaged in the development of affordable housing to develop single-family residences on vacant land adjacent to the Windsor Park neighborhood. The entity selected by the Housing Division is required to contract with qualified professionals for a study of





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vacant land adjacent to the Windsor Park neighborhood that could be acquired to 20 21 22 23 24 25 26 27 28 29 determine whether such land will subside, acquire vacant land adjacent to the Windsor Park neighborhood if the study finds such land will not subside and enter into contracts for the development and construction of single-family residences on that land. The contracts for such development and construction must include a preference for businesses owned by a person who resides or formerly resided in the Windsor Park neighborhood. **Section 9** further requires the entity selected by the Housing Division, the City of North Las Vegas and the Housing Division to enter into an agreement for the financing of the acquisition of land and the development and construction of the residences, which must include certain contributions from the City of North Las Vegas and appropriations from the State General Fund to the 30 Housing Division made by section 11 of this bill. Upon the issuance of certificates 31 32 33 34 of occupancy for these residences, section 9 authorizes the owner of a single-family residence in the Windsor Park neighborhood who owns such a residence on July 1, 2023, to exchange that residence for a residence with at least an equal amount of square footage that is constructed pursuant to this bill. Finally, section 9: (1) 35 authorizes the exchange of a residence encumbered by a mortgage or deed of trust if the mortgage or deed of trust is paid off and requires the Housing Division to 37 provide assistance in arranging for financing to pay off such a mortgage or deed of 38 trust; and (2) requires a lease of an exchanged residence to transfer to the acquired 39 residence.

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

**Section 1.** This act may be cited as the Windsor Park Environmental Justice Act.

**Sec. 2.** The Legislature hereby finds and declares:

- 1. Windsor Park is a single-family residential development in North Las Vegas built between 1964 and 1966 for Black families, to allow them to own their own homes and build wealth that could be passed to future generations.
- 2. Windsor Park was built over geological faults, and the withdrawal of groundwater from the aquifer beneath Windsor Park, in combination with the faults, caused the ground beneath Windsor Park to sink.
- 3. This sinking, or subsidence, damaged homes, roads, water and gas lines, and many homes in Windsor Park became uninhabitable and had to be demolished.
- 4. Beginning in the late 1980's and early 1990's, the Federal Government, the State of Nevada and the City of North Las Vegas provided approximately \$14 million to help residents of Windsor Park, which was used by the City to:
  - (a) Move and rehabilitate four homes;
  - (b) Build and relocate residents to 45 new homes; and
- (c) Offer grants of \$50,000 or \$100,000 to residents to move to another home in North Las Vegas.



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- 5. Under the above programs, 90 Windsor Park residents were unable to find another suitable home or move to a suitable, rehabilitated home.
- 6. The Windsor Park residents who could not move remain residents of Windsor Park in homes that have experienced significant damage because of ground subsidence, and these residents need a new solution to obtain new homes.
- 7. Because of the ground subsidence and damage unique to the Windsor Park neighborhood, it is necessary to enact a law of local and special application to provide the residents of Windsor Park a solution to this unique problem, which is found nowhere else in this State.
- 8. Given that a law of local and special application is necessary to accomplish the purposes of this act and given that such a law is necessary to benefit the residents of that local and special area known as Windsor Park, a general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities set forth in this act.
- **Sec. 3.** As used in sections 1 to 9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 8, inclusive, of this act have the meanings ascribed to them in those sections.
  - **Sec. 4.** "City" means the City of North Las Vegas.
- **Sec. 5.** "City Council" means the City Council of the City of North Las Vegas.
- **Sec. 6.** "Housing Division" means the Housing Division of the Department of Business and Industry.
- **Sec. 7.** "Single-family residence" means a parcel or other unit of real property or unit of personal property which is intended or designed to be occupied by one family with facilities for living, sleeping, cooking and eating.
- **Sec. 8.** "Windsor Park neighborhood" means the area of the City lying north of West Cartier Street, west of Clayton Street, east of Chamberlain Lane, and south of West Evans Avenue.
- **Sec. 9.** 1. The Housing Division shall establish and administer a program pursuant to which the owner of a single-family residence in the Windsor Park neighborhood who owns that residence on July 1, 2023, may exchange that single-family residence for another single-family residence constructed in accordance with this section.
- 2. The Housing Division shall select a governmental agency, nonprofit corporation or other entity engaged in the development of affordable housing to develop single-family residences on vacant land adjacent to the Windsor Park neighborhood. The governmental agency, nonprofit corporation or other entity selected by the





Housing Division pursuant to this subsection shall, in accordance with a financing agreement entered into pursuant to subsection 4, contract with qualified professionals for a study of vacant land adjacent to the Windsor Park neighborhood that could be acquired to ensure that such land will not subside, acquire vacant land adjacent to the Windsor Park neighborhood if the study finds that such land will not subside and enter into contracts to develop and construct single-family residences on that land. In awarding such contracts, a preference with a relative weight of 5 percent must be assigned to an applicant that is a business in which at least 50 percent of the interest is owned by a resident or former resident of the Windsor Park neighborhood.

- 3. The number of single-family residences constructed pursuant to this section must be sufficient in number to enable each household residing in a single-family residence in the Windsor Park neighborhood on July 1, 2023, to obtain such a single-family residence, and the single-family residences constructed pursuant to this section must enable a household residing in a single-family residence in the Windsor Park neighborhood on July 1, 2023, to obtain a single-family residence with the same amount of square footage as the residence in the Windsor Park neighborhood.
- 4. The governmental entity, nonprofit corporation or other entity selected by the Housing Division pursuant to subsection 2, the City and the Housing Division shall enter into an agreement to finance the development and construction of single-family residences pursuant to this section. The agreement must require:
- (a) The City of North Las Vegas to contribute at least \$20 million toward the costs of acquiring land and developing and constructing single family residences pursuant this section, which may consist of the issuance of general obligations of the City in an amount not to exceed \$20 million. If the City issues general obligations of the City pursuant to this paragraph the obligations:
- (1) May be issued without complying with the requirements of NRS 350.011 to 350.0165, inclusive, and 350.020, pursuant to an ordinance of the City Council, as provided in the Local Government Securities Law, and no other approval by a governmental entity or otherwise is required for the issuance of the bonds under the laws of this State.
- (2) Are exempt from the limitation on indebtedness applicable to the City, and must not be included in the calculation of the indebtedness of the City for the purpose of any debt limitation applicable to the City, but the City shall not become indebted by the issuance of general obligation indebtedness for the purposes set forth in this section in an amount exceeding \$20 million.





- (3) Must be treated as if the finding described in subparagraph (1) of paragraph (b) of subsection 3 of NRS 361.4727 had been made by the Board of County Commissioners and approved by the debt management commission of the County under subparagraph (2) of paragraph (b) of subsection 3 of NRS 361.4727.
- (b) The contribution by the City of an amount of money equal to an amount of money allocated for the rehabilitation of single-family residences in the Windsor Park neighborhood, for the relocation of residents of the Windsor Park neighborhood or for other assistance to the residents of the Windsor Park neighborhood, but that has not been expended for those purposes.
- (c) The use of money appropriated by the Legislature to the Housing Division for the purposes set forth in this section.
- (d) Any other money from any public or private source, including, without limitation, any gift, grant, appropriation or contribution, available to be used for the purposes set forth in this section.
- 5. Upon the issuance of a certificate of occupancy for each single-family residence constructed pursuant to this section, the owner of a single-family residence in the Windsor Park neighborhood who owns that residence on July 1, 2023, may exchange that single-family residence for a single-family residence which was constructed pursuant to this section and which has at least the same amount of square footage as the residence being exchanged. If the single-family residence being exchanged is:
- (a) Encumbered by a mortgage or deed of trust, the single-family residence may not be exchanged unless the existing mortgage or deed of trust is paid in full. The Housing Division shall provide assistance to arrange any financing necessary to pay off the existing mortgage or deed of trust, including, without limitation, any down payment assistance available under any program administered by the Housing Division.
- (b) Leased to a tenant occupying the single-family residence under a lease agreement, the lease agreement remains in effect with the same terms and conditions.
- 6. The power, sewer and other connection fees imposed by the City on a single-family residence in the Windsor Park neighborhood must be transferred to a single-family residence acquired pursuant to this section as the power, sewer and the connections fees to be imposed on that single-family residence.
- 7. Any property in the Windsor Park neighborhood that is exchanged pursuant to this section must be used only for the purposes of a public park.





- **Sec. 10.** The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.
- **Sec. 11.** 1. There is hereby appropriated from the State General Fund to the Housing Division of the Department of Business and Industry the sum of \$10,000,000 for the purposes set forth in sections 1 to 9, inclusive, of this act.
- 2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2025, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2025, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2025.
  - **Sec. 12.** This act becomes effective on July 1, 2023.





