STATE OF NEVADA

JOE LOMBARDO
Governor

DR. KRISTOPHER SANCHEZ
Director

STEVE AICHROTH
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION

NOTICE OF INTENT TO ACT UPON A REGULATION
LCB File No. R078-24

Notice of Hearing for the Adoption of Regulations of the State of Nevada Department of Business & Industry, Housing Division

The Nevada Housing Division will hold a public hearing at 11:30 a.m., on June 18, 2024. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to chapter 319 of the Nevada Administrative Code (LCB File No. R078-24).

Notice of Intent to Act Upon a Regulation

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R078-24 Adoption of Regulation Hearing
Jun 18, 2024, 11:30 AM (America/Los_Angeles)

Please join my meeting from your computer, tablet or smartphone.
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Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the hearing. If you require assistance, please contact the Division in advance of the hearing date. Contact Christine Hess at chess@housing.nv.gov or 775-687-2249.

The TDD Number is 800-326-6868. Supporting materials for this agenda may be obtained by contacting Christine Hess at chess@housing.nv.gov or 775-687-2249; or its Carson City office: 1830 E. College Pkwy., Suite 200 Carson City, NV 89706; or its Las Vegas office: 3300 W. Sahara Ave., #300, Las Vegas, NV 89102.

The public is invited to attend virtually by following the link below. Please join my meeting from your computer, tablet or smartphone. Persons wishing to provide public comment during the meeting may use the links below and at the appropriate time, Division staff will call on persons wishing to make public comment.

A copy of the proposed regulatory changes (LCB File R078-24), as well as a posting of this Notice of Public Hearing can also be accessed at https://housing.nv.gov.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. These regulations are needed to implement the provisions of Assembly Bill 310 of the 2023 Legislative Session.

2. These regulations are not temporary regulations.

3. These are permanents regulation and a copy of the regulations may be obtained by contacting Christine Hess at chess@housing.nv.gov or 775-687-2249.

4. Estimated economic effects on businesses:

Adverse effects: There are no adverse effects of this regulation on the businesses it regulates. There are no adverse effects of this regulation on the public.

Beneficial effects: This will allow the Division to implement Assembly Bill 310 of the 2023 Legislative Session and begin the process of receiving applications for grants pursuant to the bill. Effects on businesses is that it will allow them to apply for grants to provide supportive housing services or developing supportive housing. The public will realize these services and housing.

Immediate effects: This will allow the Division to implement Assembly Bill 310 of the 2023 Legislative Session and begin the process of receiving applications for grants pursuant to the bill. Immediate effects on businesses is that it will allow them to apply for grants to provide supportive housing services or developing supportive housing. The public will realize these services and housing.

Long-term effects: Long-term effects on businesses is that they may apply for grants to provide supportive housing services or develop supportive housing. Long-term effects on the public is that they may receive these services and housing.

5. The Administrator of the Division contacted interested parties and discussed the regulation with them to determine the economic impact. Division staff reviewed the regulation with its legal counsel to determine the economic impact to small businesses.

6. There is no cost to the Division for implementing this regulation.

7. The proposed regulation does not overlap or duplicate any regulation of other state or local governmental entities. The regulations, even after these proposed regulation

changes are adopted, will not overlap and duplicate parts of a federal regulation. The Division is not aware of any proposed provisions which are more stringent than a federal regulation that regulates the same activity.

8. This regulation is not required pursuant to a federal law.

9. This regulation does not contain any provisions which are more stringent than a federal regulation that regulates the same activity.

10. This regulation does not contain a fee establishment or increase.

11. Interested persons may provide their views regarding the regulation at the following locations or by submitted written comments to Christine Hess at chess@housing.nv.gov or 775-687-2249.

Persons wishing to comment upon the proposed action of the Nevada Housing Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to Christine Hess at chess@housing.nv.gov or 775-687-2249. Written submissions must be received by the Nevada Housing Division on or before June 17, 2024. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Nevada Housing Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulations (LCB File No R078-24) to be adopted will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulations (LCB File No. R078-24) to be adopted will be available at the Division's Offices: 3300 W. Sahara Blvd. Suite 300, Las Vegas, Nevada 89102 or 1830 E. College Parkway, Suite 200, Carson City, Nevada 89706 for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations (LCB File No. R078-24) are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at http://www.leg.state.us/. Copies of this notice and the proposed regulation also will be mailed to members of the public at no charge upon request.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.
This notice of hearing has been posted at the following locations:

State Library and Archives, 100 Stewart Street, Carson City, Nevada 89701
The Department of Administration's website at www.notice.nv.gov
The Legislative Counsel Bureau's website at https://leg.state.nv.us/App/Notice/A/
The Division's website www.housing.nv.gov

PROPOSED REGULATION OF THE

HOUSING DIVISION OF THE

DEPARTMENT OF BUSINESS AND INDUSTRY

LCB File No. R078-24

May 13, 2024

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

AUTHORITY: § 1, section 2 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2963; §§ 2-5, NRS 319.140.

A REGULATION relating to housing; establishing requirements for the supportive housing grant program; revising certain obsolete references; repealing an obsolete definition; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Housing Division of the Department of Business and Industry to, subject to the availability of funds appropriated for such a purpose, develop and implement a supportive housing grant program. Existing law also requires the Division to adopt regulations to carry out the grant program which must include the criteria for eligibility to receive money and procedures for the submission and review of applications. (Section 2 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2963) **Section 1** of this regulation establishes the process and requirements to apply for a grant from the supportive housing grant program and sets forth the entities that are eligible to apply for such a grant.

Sections 2 and 3 of this regulation replace references to the Veterans' Administration with the Department of Veterans Affairs. **Section 4** of this regulation eliminates an obsolete reference to a repealed provision of the Nevada Revised Statutes. **Section 5** of this regulation repeals an obsolete definition of a term that is no longer used in the provisions governing certain deferred mortgage loans.

Section 1. Chapter 319 of NAC is hereby amended by adding thereto a new section to read as follows:

1. At least once each year that sufficient funds are available in the Nevada Supportive Housing Development Fund created pursuant to section 3 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2964, the Division will:

(a) Solicit applications for a grant of money from the supportive housing grant program; and

(b) Establish the deadline for the submission of an application for a grant.

2. The following entities are eligible to apply for a grant from the supportive housing grant program:

(a) A public or private nonprofit charitable organization that is registered and in good standing with the Secretary of State;

(b) A housing authority; or

(c) A local government.

3. To receive a grant from the supportive housing grant program, an applicant must comply with the requirements of this section and submit an application on a form prescribed by the Division.

4. In determining whether to approve or reject an application for a grant from the supportive housing grant program, the Division will consider the following criteria:

(a) The experience of the applicant in developing supportive housing or affordable housing or providing supportive services;

(b) The types of supportive services provided by the applicant;

(c) The demographics of the tenants currently being served by the applicant;

(d) The cost of the supportive services to be provided by the applicant;

(e) The projected tenant outcomes in relation to the stability of housing;

(f) The need for a geographic location for housing targeted at persons below 30 percent of the area median income for the county in which the applicant will provide supportive services;

(g) The sustainability of the supportive services offered by the applicant or the operational strength of the applicant;

(h) The amount of money from other sources that is being used by the applicant to provide supportive services; and

(i) Any other criteria the Division determines to be applicable.

5. Not later than 30 days after the deadline established pursuant to paragraph (b) of subsection 1, the Division will review each application submitted to the Division by the deadline and, if applicable pursuant to subsection 3 of section 2 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2963, consult with the Nevada Interagency Advisory Council on Homelessness to Housing created by NRS 232.4981.

6. The Division will provide written notice to each applicant of the final determination of the Division concerning the approval or rejection of an application submitted pursuant to this section.

7. As used in this section:

(a) "Supportive housing" has the meaning ascribed to it in paragraph (a) of subsection 7 of section 2 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2963.

(b) "Supportive services" has the meaning ascribed to it in paragraph (b) of subsection 7 of section 2 of Assembly Bill No. 310, chapter 481, Statutes of Nevada 2023, at page 2963.

Sec. 2. NAC 319.790 is hereby amended to read as follows:

319.790 1. The Division will determine the maximum levels of income and other requirements for eligible tenants after considering:

(a) The median income of residents of each county in the State;

(b) The requirements and standards, including maximum levels of income, of applicable federal and state statutes and regulations;

(c) The size of the tenant's family; and

(d) Any other factor which it deems relevant.

2. A family's financial eligibility is determined by the family's verified gross income, including:

(a) Salary or wages;

(b) Income from overtime;

(c) Tips;

(d) Income from part-time employment;

(e) Bonuses;

(f) Dividends;

(g) Interest;

(h) Royalties;

(i) Pensions;

(j) Compensation received from the ~~[Veterans' Administration;]~~ ***Department of Veterans Affairs;***

(k) Net rental income;

(l) Alimony;

(m) Payments for child support;

(n) Public assistance;

(o) Compensation for disability;

(p) Payments received from social security;

(q) Compensation for unemployment;

(r) Military allowances;

(s) Income received from business activities or investments; and

(t) Income received from trusts.

Sec. 3. NAC 319.822 is hereby amended to read as follows:

319.822 Each loan to conserve energy which the Division purchases under the program must:

1. Be insured by the Federal Housing Administration or by private insurance which guarantees the mortgage or must be guaranteed by the ~~[Veterans' Administration;]~~ ***Department of Veterans Affairs;*** and

2. Provide, to the extent allowed by any federal or state law or regulation, that:

(a) The loan may be assumed only by an eligible borrower; and

(b) If the borrower rents the dwelling unit to another person without the consent of the Administrator or otherwise fails to occupy the unit as his or her principal residence, the Administrator will:

(1) Accelerate the rate of interest to the prevailing rate at the time the loan was made; or

(2) Accelerate to maturity the balance of the payments on the loan.

Sec. 4. NAC 319.852 is hereby amended to read as follows:

319.852 NAC 319.850 to 319.872, inclusive, are adopted to effectuate the general purposes of chapter 319 of NRS and the specific purposes of NRS ~~[319.175 and]~~ 319.190.

Sec. 5. NAC 319.5635 is hereby repealed.

TEXT OF REPEALED SECTION

319.5635 "Deferred loan program for down payments or closing costs" defined. "Deferred loan program for down payments or closing costs" means each program administered by the Division for which the Division uses money received from the United States Department of Housing and Urban Development pursuant to the HOME Investment Partnerships Act, 42 U.S.C. §§ 12701 et seq., to finance deferred mortgage loans.