

**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 **Section 4** of this regulation eliminates an obsolete reference to a repealed provision of the Nevada Revised Statutes.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.