



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: June 2, 2016

Staff Contact: Lee Plemel, Community Development Director

Agenda Title: For Possible Action: To establish and approve a Policy and Procedure to allow a person whose property is within the boundaries of an assessment district to apply for a hardship determination pursuant to NRS 271 regarding the payment of such assessment.

Staff Summary: NRS 271.357 requires the City to establish a "hardship determination" procedure before implementing an assessment within an assessment district. The City has established the Downtown Neighborhood Improvement District for which property owners will be assessed to help pay for the ongoing maintenance of the Downtown Streetscape Enhancement Project improvements. The proposed policy would also be used for any future assessment district implemented per NRS 271. (Lee Plemel, lplemel@carson.org)

Agenda Action: Formal Action/Motion

Time Requested: 15 minutes

Proposed Motion

I move to establish and approve the Policy and Procedure to allow a person whose property is within the boundaries of an assessment district to apply for a hardship determination pursuant to NRS 271 regarding the payment of such assessment as proposed by staff.

Board's Strategic Goal

Economic Development

Previous Action

On January 7, 2016, the Board of Supervisors approved an ordinance establishing the Downtown Neighborhood Improvement District.

Background/Issues & Analysis

NRS 271.357 requires the City to establish a "hardship determination" procedure before implementing an assessment within an assessment district. The City has established the Downtown Neighborhood Improvement District for which property owners will be assessed to help pay for the ongoing maintenance of the Downtown Streetscape Enhancement Project improvements. The proposed policy meets the requirements of NRS 271 to implement the assessment for the Downtown NID and would be used for any future NID established for corridor improvements or other improvements under NRS 271.

The proposed policy is modeled after and follows the NRS 271 hardship determination procedures that the City of Reno has been using for more than a decade. As noted above, the proposed meets the requirements to be used for future commercial corridor NIDs. But it also meets the requirements of NRS 271 to be used for other assessments for capital improvement projects. Therefore, it has provisions that may not be applicable to the Downtown NID or other "street beautification project" NIDs. To staff's knowledge, the City of Reno has not processed a hardship determination application for any of its assessment districts. Staff believes it is unlikely that there will be any qualifying hardship determination applicants within the Downtown NID.

This is the first action in implementing the annual assessment of properties within the Downtown NID. Following are the actions that will be taken this meeting and in following meetings to implement the assessment:

- June 2 Board of Supervisors items:

1. Establish a procedure for obtaining a hardship determination for payment of the assessment (this item).
2. Adoption of a Resolution that:
 - a. Estimates the cost to be paid by the assessment and the assessment roll;
 - b. Fixes the time and place to hear protests for June 16 and order notice of that public hearing.

- Notification - Send out notification to all property owners via certified mail, publish notice in the newspaper and post it.

- June 16 Board of Supervisors items:

1. Consideration of hardship determinations.
2. Public Hearing to consider all “complaints, protests and objections” to the assessment.
3. Adoption of a Resolution that determines the costs to be paid by the assessment included in the assessment roll and:
 - a. Ratifies the Engineer’s assessment roll; and
 - b. Confirms the assessment.
4. Introduction of ordinance to levy the assessment.

- Notification of assessment - Send notification of the assessment to the property owners.

- July 7 Board of Supervisors: Ordinance second reading.

Contact Lee Plemel at 283-7075 or lplemel@carson.org for any questions regarding this item.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 271.357

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: N/A

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Any hardship determination requests will be processed concurrently with establishing the annual Downtown NID assessment.

Alternatives

Modify the proposed procedures.

Attachments:

- 1) NRS 271 Hardship Determination Policy and Procedures

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)



POLICY AND PROCEDURE

SUBJECT: NRS CHAPTER 271 HARDSHIP DETERMINATION

1.0 PURPOSE:

The purpose of this policy is to establish a procedure to allow a person whose property is included within the boundaries of an improvement or assessment district to apply for a hardship determination pursuant to the provisions of NRS Chapter 271.

2.0 APPLICABILITY:

This policy applies to the Downtown NID (Neighborhood Improvement District) and any subsequent NID created for the purposes of maintaining corridor improvements or any other purpose allowed by NRS Chapter 271.

3.0 POLICIES AND PROCEDURES:

3.1 Eligibility. Any person whose principal residence is included within the boundaries of an improvement district may apply for a Hardship Determination.

3.2 Procedure.

3.2.1 A person who wishes to apply for a Hardship Determination ("applicant") must file an application with the Carson City Human Services Department ("Department"), located at 900 E. Long Street, Carson City, Nevada, 89706, no later than three days prior to the hearing on the assessment roll for the NID. The application must be made on the form provided by the Department. The standards of eligibility to be applied by the Department in evaluating whether an applicant qualifies for a hardship determination include the following: the applicant must have a principal residence located within the NID and the applicant must have an income equal to or less than 50% of the area median income for Carson City, adjusted for household size, as determined by the United States Department of Housing and Urban Development.

3.2.2 After reviewing an application for a Hardship Determination, the Department shall submit a recommendation of approval or denial to the Board of Supervisors.

- 3.2.3 Before ratifying an assessment roll, the Board of Supervisors shall consider all applications for Hardship Determination, the Department's recommendations thereon, and make a final decision on each application consistent with the policies and standards of eligibility established by this policy. The Board of Supervisors shall direct the City Engineer to postpone an assessment in accordance with this policy for property identified in an application for a Hardship Determination which has been approved.
- 3.2.4 An applicant whose application for a Hardship Determination has been approved by the Board of Supervisors must apply for a renewal of the Hardship Determination every five years after the Board of Supervisors has approved the applicant's initial application unless the City has reason to believe a change in circumstances exists with respect to the applicant, in which case the Department may require the applicant to reapply for a Hardship Determination sooner than five years, but in no event may the Department or Board of Supervisors require an applicant to reapply for a Hardship Determination more than once per year. Applications for a renewal of Hardship Determination will be treated in the same or similar manner as an initial application for a Hardship Determination.

3.3 Postponement of Assessment.

- 3.3.1 An applicant whose application for a Hardship Determination has been approved by the Board of Supervisors shall pay the interest on the unpaid balance of the previous and current assessments at the same rate and terms as has been previously established by the Board of Supervisors for other assessments. The payment of such interest payments, including each installment thereof, is secured by a lien upon the applicant's property pursuant to NRS 271.420. The applicant's failure to make such interest payments shall entitle the City to proceed in accordance with NRS 271.545 through 271.630, including, but not limited to, instituting foreclosure proceedings against the applicant.
- 3.3.2 The assessment on property for which an application for a Hardship Determination has been approved by the Board of Supervisors will remain postponed until the earlier of any one or more of the following occurrences:
- a) The property is sold or transferred to a person other than the person to whom a Hardship Determination has been granted;
 - b) The term of the District's bonds expires, if applicable;
 - c) The applicant's application for renewal of the Hardship Determination has been denied by the Board of Supervisors;
 - d) The applicant fails to pay, in a timely manner, the interest on the unpaid balance of an assessment; or
 - e) The applicant pays all previous and current assessments.

Upon the occurrence of any of the first four items listed in this section, the applicant must begin paying off the balance of previous and current assessments and the interest thereon in no more than 20 semi-annual installments, or such lesser installments as may be specified by the Board of Supervisors, which may be prepaid at any time.

3.4 Other Provisions.

- 3.4.1 The Board of Supervisors shall not sell bonds on the basis of any assessments for which a Hardship Determination has been approved. The Surplus and Deficiency Fund ("Fund") to be established by resolution of the Board of Supervisors on or before an ordinance levying assessments is effective must be used for the payment of the costs of any projects assessed against property for which a Hardship Determination has been made. The Fund must be reimbursed when the balance of unpaid assessments are paid, including all interest paid during any applicant's period of postponement. If funds on deposit in the Fund are insufficient to pay the costs of any project assessed against property for which a Hardship Determination has been made, the Board of Supervisors shall not proceed with construction until funds have been made available to pay such costs.
- 3.4.2 All provisional order notices and notices of assessment hearings prepared by the City after the effective date of this ordinance must mention the availability of the City's Hardship Determination procedure. City officials, after the effective date of this policy, shall endeavor to make an effort to mention the City's Hardship Determination procedure whenever such official communicates in writing with property owners whose residences will be assessed.
- 3.4.3 The officers of the City are hereby authorized and directed by the Board of Supervisors to take all action necessary or appropriate to effectuate the provisions of this policy.
- 3.4.4 If any section, paragraph, clause or other provision of this policy for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this policy.
- 3.4.5. This policy shall be in effect from and after its approval by the Board of Supervisors on June 2, 2016.