



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** May 18, 2017

**Staff Contact:** Lee Plemel, Community Development Director

**Agenda Title:** For Possible Action: To approve Hardship Determinations related to the Downtown Neighborhood Improvement District (NID) assessment for applicants meeting the required conditions, and directing the City Engineer to postpone the assessment for any approved Hardship Determination applicants in accordance with NRS 271.360. (Lee Plemel, lplemel@carson.org)

**Staff Summary:** The Board of Supervisors adopted Ordinance No. 2016-1 establishing the Downtown NID on January 7, 2016, for the purpose of paying a portion of the cost of ongoing maintenance of the Downtown Streetscape Enhancement Project. The Board of Supervisors must consider applications for Hardship Determinations before ratifying the Downtown NID assessment roll. Property owners whose annual income is less than 50% of the median Carson City area annual income qualify for a Hardship Determination. Property owners approved for a Hardship Determination may have their Downtown NID assessment deferred in accordance with NRS 271.360 and the *NRS Chapter 271 Hardship Determination Policy and Procedures* adopted by the Board of Supervisors.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 5 minutes

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## **Proposed Motion**

(If a qualifying Hardship Determination application is received:) I move to approve the Hardship Determination(s) for the property owner(s) of APN(s) \_\_\_\_\_ related to the Downtown Neighborhood Improvement District assessment and direct City staff to postpone the assessment for any approved Hardship Determination applicant in accordance with NRS 271.360 and the NRS Chapter 271 Hardship Determination Policy and Procedures adopted by the Board of Supervisors.

## **Board's Strategic Goal**

Economic Development

## **Previous Action**

January 7, 2016: The Board of Supervisors adopted Ordinance No. 2016-1 establishing the Downtown NID for the purpose of paying a portion of the cost of ongoing maintenance of the Downtown Streetscape Enhancement Project.

June 2, 2016: The Board of Supervisors adopted Policies and Procedures for NRS Chapter 271 Hardship Determinations, as required for Neighborhood Improvement Districts per NRS Chapter 271.

April 20, 2017: The Board of Supervisors adopted a Resolution estimating the cost to be paid by the Downtown NID assessment and the assessment roll for FY 2017-18 for the purpose of paying for maintenance of the Downtown Streetscape Enhancement Project, fixing the time and place to hear protests regarding the assessment for May 18, 2017, and directing staff to provide notice of that public hearing.

## **Background/Issues & Analysis**

The Board of Supervisors adopted Ordinance No. 2016-1 establishing the Downtown NID on January 7, 2016, in order to assess property owners to help pay for the ongoing maintenance of the Downtown Streetscape Enhancement Project improvements. The Downtown NID was initiated by petition of property owners representing more than 50% of the assessed valuation of properties within the NID.

NRS 271 provides for the annual procedures for implementing a NID assessment. The NID items on this agenda include the required actions to implement the annual assessment of properties within the Downtown NID. Notification of the Downtown NID assessment, the procedures for applying for Hardship Determination, and procedures for making complaints, protests and objections were sent out to each property within the Downtown NID. As of May 8, 2017, when this staff report was submitted, no applications for Hardship Determination were received.

Following are the actions that will be taken at this meeting and subsequently to implement the annual assessment:

### **- May 18 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 to confirm, revise or correct the Assessment Roll.
4. Introduction of an Ordinance to levy the assessments in the Assessment Roll.

### **- June 1 Board of Supervisors item:**

1. Adoption, on second reading, of the Ordinance to levy the assessment.

- **Notification of assessment** - After the adoption of the ordinance, notification of the assessment will be sent to the property owners.

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

Attachments:

- 1) NRS Chapter 271 Hardship Determination Policy and Procedures.

## **Applicable Statute, Code, Policy, Rule or Regulation**

NRS Chapter 271.

## **Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: 602 (Redevelopment)

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: The City will continue to pay its portion of downtown maintenance costs in an amount that has been budgeted in past years before the downtown improvements. There is a potential fiscal impact with the granting of any Hardship Determination in that the assessment will be reduced by the amount of any deferred assessment, though staff anticipate that will be minor.

**Alternatives**

If no qualifying applications for Hardship Determinations are presented, no action is required.

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

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(Vote Recorded By)



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## POLICY AND PROCEDURE

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**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 NRS 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 271.

**3.0 POLICIES AND PROCEDURES:**

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

3.2 Procedure.

3.2.1 A person desiring to apply for a Hardship Determination ("the applicant") shall file an application with the Carson City Human Services Department ("the Department"), 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 shall be on the form provided by the Department. The standards to be applied by the Department in evaluating whether an applicant qualifies for a hardship determination shall be that the applicant must have a principal residence in the NID and have an income equal 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 disapproval 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 the assessment in accordance with this policy on property for which a Hardship Determination has been approved.
- 3.2.4 An applicant whose application for a Hardship Determination as 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 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 reapply for a Hardship Determination more than once per year. Applications for renewal of Hardship Determination shall be treated in the same or similar manner as initial application for Hardship Determinations.

3.3 Postponement of Assessment.

- 3.3.1 An applicant whose 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 a Hardship Determination has been approved by the Board of Supervisors shall remain postponed until the earlier of any of the following occurrences:
- a) The property is sold or transferred to a person other than the one 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 disapproved by the Board of Supervisors;
  - d) The applicant fails to pay, in a timely manner, the interest on the unpaid balance of 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 (the "Fund") to be established by resolution of the Board of Supervisors on or before an ordinance levying assessments is effective, shall be used for the payment of the costs of any projects assessed against property for which a Hardship Determination has been made. The Fund shall 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 shall mention the availability of the City's Hardship Determination procedure. City officials, after the effective date of the 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 residence shall 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 shall for any reason be 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.