

CHAPTER.....

AN ACT relating to housing; prohibiting the Housing Division of the Department of Business and Industry from adopting regulations that restrict or defer more than a certain percentage of the payment of profit and overhead to developers of certain projects under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits the Housing Division of the Department of Business and Industry from financing any low-income residential housing unless the Administrator of the Division makes certain findings. (NRS 319.260) **Section 1** of this bill provides that if the Division adopts regulations establishing a program for the financing of the lease, purchase or development of low-income multifamily housing, the regulations may establish the maximum amount of pro forma profit and overhead for a developer of a project, but the regulations must not restrict or require the deferral of more than 60 percent of the payment of profits and overhead to a developer of a project that is: (1) constructed, developed, financed or insured in whole or in part through any program established by the United States Department of Housing and Urban Development; and (2) secured by a performance bond. **Section 2** of this bill deletes a provision which requires that any remaining balance of a certain appropriation from the State General Fund to the Housing Division must be reverted to the State General Fund on or before September 18, 2009.

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

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

1. If the Division adopts regulations which establish a program for the financing of projects, the regulations must not include any provision which restricts or requires the deferral of more than 60 percent of the payment of profits and overhead to a developer of a project that is:

(a) Constructed, developed, financed or insured in whole or in part through any program established by the United States Department of Housing and Urban Development; and

*(b) Secured by a performance bond,
↪ except that such regulations may establish the maximum amount of pro forma profit and overhead for a developer of a project as a percentage of the appraised value of the project.*

2. As used in this section, "project" means a housing facility for residential use which consists of two or more dwelling units for occupancy by eligible tenants on a rental basis. The term includes



property which is to be leased, purchased or developed for sites for multifamily housing and upon which the Division takes a security interest and records a regulatory agreement, whether the Division issues bonds, a mortgage loan or a letter of credit for the lease, purchase or development of the multifamily housing.

Sec. 2. Section 3 of chapter 348, Statutes of Nevada 2007, at page 1657, is hereby amended to read as follows:

Sec. 3. 1. There is hereby appropriated from the State General Fund to the Housing Division of the Department of Business and Industry the sum of \$1,000,000 to provide grants to encourage the creation of employer-assisted housing programs.

2. The Housing Division shall adopt regulations to govern the provision of grants pursuant to subsection 1, which must include, without limitation, criteria for determining eligibility for such programs.

3. ~~[Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, 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 18, 2009, 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 18, 2009.~~

~~—4.]~~ As used in this section, “employer-assisted housing program” means a program for the provision of down-payment assistance, closing-cost assistance, reduced-interest mortgages, mortgage guarantees, rental subsidies or individual development account savings plans, or any combination thereof, to assist employees in securing affordable housing in this State.

Sec. 3. 1. This section and section 2 of this act become effective upon passage and approval.

2. Section 1 of this act becomes effective on October 1, 2009.

