

**THE STATE OF NEVADA**  
**2004 QUALIFIED ALLOCATION PLAN**  
**for**  
**LOW-INCOME HOUSING TAX CREDITS**  
**Draft for Advisory Committee Meeting Las Vegas, Nv. 9/9/03**

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**2004 ANNUAL QUALIFIED ALLOCATION PLAN  
for  
LOW-INCOME HOUSING TAX CREDITS**

**GENERAL INFORMATION**

**Section 1      Annual Plan Information**

Nevada's 2004 Qualified Allocation Plan (QAP) is adopted pursuant the Nevada Housing Division's (Division) regulations implementing the Low-Income Housing Tax Credits (Tax Credits) program. The Regulations, the Application form, the Instructions and the Compliance Manual constitute the Division's QAP for the Low Income Housing Tax Credits Program pursuant to Section 42 of the Internal Revenue Code of the United States and implementing regulations.

The 2004 QAP covers the period January 1, 2004 to December 31, 2004. All reservations of Tax Credits made during the plan year are subject to this annual plan.

The Division will continually update our web page with information regarding the 2004 QAP. NHD web address: <http://www.nvhousing.state.nv.us/>.

**Section 2      Training and Application Submission Dates**

A.      Completeness and Consistency of Tax Credit Application

Final applications must be completed on a Final Application form prescribed by the Division.

Original applications must be complete and must materially match other applications for funding that relate to the project (i.e. other applications for NHD funding, HOME for example). All material information must be comparable as it relates to other funding and to the final cost that the IRS form(s) 8609 are issued from.

B.      Tax Credit Application Deadline

Pursuant to Nevada Administrative Code (NAC) 319.974, Applications for Tax Credits and all supporting documentation must be sent to the Las Vegas or Carson City office of the Nevada Housing Division and *received by 5:00 p.m. April 9, 2004* unless otherwise notified by the Division. One original and one copy of the application must be submitted. Applicants are encouraged to send in applications more than 10 days before the deadline to take advantage of a pre-deadline review period.

The Division will allow an extension of the 10-day review period if HUD guidelines required for the finalization of the QAP are delayed. The Division will make an announcement regarding the extension if applicable.

C. Request for Additional Tax Credits

Projects receiving Tax Credits in previous allocation rounds may request additional Tax Credits due to increased construction costs. To request additional Tax Credits, applicants must submit an updated application pursuant to the instructions in the 2004 QAP and a letter to the Division outlining the reason for the request for additional Tax Credits.

Requests for additional Tax Credits are subject to the limitations specified below:

- 1) Requests for additional Tax Credits must be based on an increase of eligible basis;
- 2) Additional Tax Credits exclude Developer and Contractor Fees;
- 3) All requests for additional Tax Credits will be ranked using the current year QAP;
- 4) The request for additional Tax Credits **shall not exceed 5 percent of the original Tax Credit award;**
- 5) A project may only apply once for additional Tax Credits; and;
- 6) Additional Tax Credits will be allocated only if Tax Credits are available at the end of the initial competitive round and the Division determined that a second round was not necessary.

D. Carryover Deadline

Pursuant to the year-end tax bill of 2000, the 10% test for carryover will be extended for six months from the date of allocation. Carryover information must be sent to the Las Vegas or Carson City office of the Nevada Housing Division and *received by 5:00 p.m., September 30, 2004*. The project owner must meet the 10% test by April 30, 2005 and must supply the Division with a Federal Tax Identification Number to receive a carryover commitment. The Division will issue carryover allocations on November 1, 2004.

E. Training Dates/Reservations for Sessions

The Division will conduct training on the 2004 QAP in Carson City and Las Vegas on November 20, 2003 at 9:00 a.m. The training locations are listed below.

Nevada Housing Division Office  
1802 North Carson Street, Suite 154  
Carson City, Nevada.

Nevada Housing Division Office  
1771 E. Flamingo Rd., Suite 206-B (Second Floor Conference Room)  
Las Vegas, Nevada

Persons desiring to attend should notify the Division by November 17, 2003 so that space and materials may be assured. A telephone hookup with both Division offices will be established to discuss any questions relating to the 2004 QAP.

F. Training Cost

The cost of this training is \$15.00 per person. The registration fee must be prepaid by check to the Division's offices in Carson City or Las Vegas, by November 17, 2003, depending on the session chosen. (*Cash cannot be accepted.*)

### **Section 3 Findings of the Division; Identification of Housing Needs**

The Nevada Housing Division has reviewed various State and local plans and studies to determine the market needs for all types of affordable housing, including single family units, manufactured housing alternatives, rental units and public assisted housing.

The plans and studies included the State of Nevada's Consolidated Plan, Consolidated Plans for Nevada's metropolitan areas, the Nevada Housing Division's Special Needs Assessment prepared by BBC Research and Consulting, the Division's market studies for the Las Vegas and Reno markets, surveys of federal and public housing agencies located within the state, surveys of city planners and county assessors, and compilations of demographic statistics.

For the 2004 plan year, the Division's review specifically considered factors including high concentrations of low-income persons, vacancy rates, and the conditions of existing housing units.

#### **A. Findings On Existing Housing Needs**

The Division's findings regarding housing needs for the 2004 plan years are listed below. More detailed information on housing needs by geographic area is available in ATTACHMENT A.

1. There is an inadequate supply of transitional housing to support the needs of the homeless within Nevada. This element is critical in moving the homeless toward self-sufficiency and a clean and decent place to live.
2. A significant number of Nevada's households live below the poverty level. Of those households, the number of persons 55 and older, families, including families with children and female heads of households, are significant.
3. There is an inadequate supply of affordable, standard housing units for low-income persons generally low-income elderly and families with single heads of households.
4. There is a lack of affordable, handicapped accessible housing units for the physically disabled who generally have low incomes. Throughout this QAP, the term "handicapped" refers to those persons as defined in the Federal Fair Housing Act and implementing regulations by the Department of Housing and Urban Development.
5. The vacancy rate among three-bedroom units is somewhat *higher* than the vacancy rate of one- and two-bedroom units in Las Vegas and Reno.



6. Certain counties and communities are experiencing economic growth. It appears an insufficient amount of housing is being developed for low-income persons in these high growth counties and communities.
7. Rental housing needs related to overcrowding, lack of essential facilities, and disproportionate cost exist across the state.
8. A significant number of housing units within the state suffer from obsolescence and deteriorated housing conditions.
9. Other special housing needs as defined in the BBC study of 2002.

The Division has addressed the housing needs identified by the various Consolidated Plans through the selection requirements and project scoring factors in the 2004 QAP.

#### B. Findings On Housing Market Conditions

The Division annually published information on housing market conditions for the Las Vegas and Reno/Sparks metropolitan area.<sup>1</sup>

##### Key Findings – Las Vegas Housing Market:

- ✍ Vacancy rates are highest in older areas of Las Vegas and in areas where newer projects are concentrated.
- ✍ 4 Bedroom Size units have the highest vacancy rates in the Las Vegas and Reno/Sparks housing markets.
- ✍ Vacancy rates for senior apartments is 7.43% compared to 6% for the area's total market.
- ✍ Larger assisted living complexes for independent living reflect a 30% vacancy rate.
- ✍ Since 1999, the construction rate of 3 Bedroom Size units has decreased.
- ✍ Overall average rents increased a little over 1 percent from the second quarter of 2002.
- ✍ Affordable unit rental rates are 16.5% - 20.7% lower than market unit rental rates.
- ✍ Rental rates for assisted living units are \$1,000 - \$4,000 per month. Rental rates for residents with Alzheimer's or dementia are \$2,400 - \$3,900 per month.

##### Key Findings – Reno/Sparks Housing Market:

- ✍ Vacancy rates in Reno have not significantly changed from 2002.
- ✍ Studio Size units have the highest vacancy rate.
- ✍ Vacancy rates are highest in three zip codes: 89436, 89506, and 89513.
- ✍ Affordable unit rental rates are 4% - 8% lower than market unit rental rates for one- and two-bedroom units and 21% lower for three-bedroom units.
- ✍ Three Bedroom Size units had a 1.2% decrease in rental rates from 2002.

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<sup>1</sup> Source: Nevada Housing Division. NHD Apartment Facts, Second Quarter 2003. This publication is an annual publication of the Nevada Housing Division available at [www.nvhousing.state.nv.us](http://www.nvhousing.state.nv.us)

Selected tables from this publication showing housing units and vacancy rates are provided in ATTACHMENT B.

Applicants should consult this information in developing eligible Tax Credit projects.

C. Market Area Saturation Assessment

The Nevada Housing Division will conduct a special assessment of Tax Credit applications proposing projects in communities having populations less than 50,000 to determine whether or not the affordable housing market for the community and segment of the population served adequately supports the proposed project.

In making this finding, the Division will consider several factors including:

- 1) Occupancy rates of affordable housing projects in the community that have been completed within the previous 3 years;
- 2) Potential financial effects on existing publicly funded housing projects;
- 3) Rents and occupancy levels of comparable market-rate **or other similar** housing;
- 4) Local housing conditions, services, and amenities available in existing housing projects; and,
- 5) Special housing needs and housing choices available for low-income households.

Tax Credit applications may be deemed ineligible if the assessment determines that comparable affordable housing projects have occupancy levels less than 90 percent, or the proposed housing project would have a significant adverse financial affect on other publicly funded projects without offsetting public benefits or the rents for the affordable housing project are equal to or greater than comparable market-rate housing.

Community population estimates will be based on the State Demographer's estimate of record as of July 1, 2003.

## APPORTIONMENT OF TAX CREDITS

### Section 4 Apportionment Accounts and Initial Balances

The Per Capita Tax Credit (PCTC) for 2004 is \$1.75, subject to adjustment by the Consumer Price Index (CPI). The adjusted PCTC will be published in the *Federal Register*. If the adjusted PCTC is not available by April 1, 2004, the application deadline will be extended 10 days from the date that the PCTC is published.

Project owners are responsible for obtaining information on the actual amount of apportionment prior to the submission on an application. Information on the actual amount of apportionment for each set-aside or other sub-account will be available on the Division's web site: <http://www.nvhousing.state.nv.us/> or may be obtained by contacting the Division.

The Division reserves the right to round up or down the actual dollar amount designated to any set-aside or geographical apportionment.

	State Population Est. <sup>2</sup>		Estimated Tax Credit Levels
<b>STATE TAX CREDIT CEILING:</b>	2,206,022		<b>\$3,860,538.50</b>
<b>CARRYOVER AND OTHER CREDITS:</b>			<b>\$ 0.00</b>
<b>TOTAL AVAILALE 2004 ALLOCATION:</b>			<b>\$3,860,538.50</b>
<b>TOTAL SET-ASIDES:</b>	Set A-side Percent		<b>\$570,080.78</b>
NON-PROFIT SET-ASIDE -	10%	\$386,053.85	
USDA-RD SET-ASIDE -	5%	\$193,026.93	
<b>TOTAL GEOGRAPHIC APPORTIONMENT:</b>	Percent of Population		<b>\$3,281,547.73</b>
Clark County	70.25%	\$2,305,224.05	
Washoe County	16.30%	\$534,877.61	
Other Counties	13.45%	\$441,356.06	

See NAC 319.972

<sup>2</sup> Nevada County Population Estimates July 1, 1986 to July 1, 2002. Nevada State Demographer.  
<http://www.nsbdc.org/demographer/pubs/images/Popul.pdf>

## **Section 5      Non-Profit Set Aside**

There will be a non-profit set-aside in the amount of 10% of the state ceiling or approximately \$390,000.00. A reservation or allocation of Tax Credits from this set-aside will be limited to non-profit organizations acting alone or in partnership with a for-profit developer if the non-profit partner has received a determination letter from the Internal Revenue Service indicating that the organization is qualified pursuant to IRC § 501 (c) (3) or 501 (c) (4) and the application package contains an executed Exhibit Seven. The non-profit organization must certify in writing to the Division, that it meets the requirements of NAC 319.988. The project owner must also certify that no change has occurred in the organization since the issuance of the determination letter from the Internal Revenue Service that would affect the validity of the determination letter. If the project is awarded Tax Credits from the non-profit set-aside, any new project owner during the compliance period must qualify for an allocation of Tax Credits from the non-profit set-aside under the provisions of this QAP.

## **Section 6      USDA-RD Set Aside**

There will be a United States Department of Agriculture Rural Development (USDA-RD) set aside in the amount of 5% of the State's ceiling, or approximately \$195,000.00. At the time of application, the project owner must supply the local USDA-RD office with a letter authorizing that office to release to the Division a copy of the project owner's application for USDA-RD funding. A copy of the letter must be submitted with the Tax Credits application.

A reservation or allocation of Tax Credits from this set-aside will be limited to those projects that are receiving direct funding from USDA. Projects receiving support in the way of loan guarantee or other similar support will not be considered for a reservation or allocation from this set-aside.

Acquisition/Rehabilitation projects must be in accordance with USDA regulations and must substantially rehabilitate or change the project to accommodate the housing needs in which the project is located. Acquisition/Rehabilitation projects will require a letter from USDA as to why the rehabilitation is warranted.

USDA-RD Tax Credits applications will be processed within the normal Tax Credits reservation cycle. If the United States Department of Agriculture is unable to issue a certification stating the availability of federal funding by the date the Division receives notice that National Pool Tax Credits are available, said reservations will be canceled and the USDA-RD set aside will be returned to the general pool for distribution. *See* NAC 319.972

## **Section 7      Geographic Apportionment**

The geographic apportionment is based on Nevada's population estimate as provided by the Nevada State Demographer's Office. The population estimate is used to establish the geographic apportionment percentages only and may not be relied on in establishing the amount of per capita Tax Credits available in this plan year. The date of the estimate is July 1, 2003.

*See* NAC 319.972 (4)

## Section 8 Tax Credit Reservation Process

The reservation of Tax Credits. The reservation of Tax Credits will be made on the basis of high score within the established set-aside and geographic sub-accounts. **Project owners/sponsors must specify in the application which set-asides and/or geographic apportionments the project is applying for.**

The reservation of Tax Credits will be made in three steps.

1. Step One: Reservations of Set Aside Allocations. Allocation of Tax Credits to the project(s) with the highest score in the Non-Profit and USDA set-asides accounts will be made first. Tax credits will be allocated until the amount of tax credits in each set-aside is fully allocated. If additional Tax Credits are needed to fund the proposal, additional Tax Credits will be taken from the appropriate geographic apportionment on the basis of high score. Unreserved amounts from the Non-Profit set-aside will be carried over into subsequent rounds for non-profit as a minimum tax credit to be set aside for non-profit corporations pursuant to regulation.
2. Step Two: Reservation of Geographic Allocation. Allocation of Tax Credits to the project(s) with the highest score in each Geographic sub-account (Clark County, Washoe County, and Other Nevada Counties) will be made after reservations are made to projects requesting set-aside funding. The Division will make Tax Credit reservations to geographic sub-accounts in the following order: (1) Clark County; (2) Washoe County; (3) Other Nevada Counties. If the Division does not reserve all of the funds allocated to the Clark County sub-account the Division will transfer any surplus tax credits remaining in that sub-account to the sub-account for Washoe County. If the Division does not reserve all of the funds allocated to the Washoe County sub-account the Division will transfer any surplus tax credits remaining in that sub-account to the sub-account for Other Nevada Counties. Tax credits will be allocated until the amount of Tax Credits remaining in each Geographic Apportionment is insufficient to fund the next highest-ranked ranked project for that area.
3. Step Three: Transfer to General Pool. Any Tax Credits not reserved from the Geographic account will be placed in a General Pool. These tax credits will be made available to the next highest ranked project and/or projects funded in previous rounds that requests additional Tax Credits. Allocation of Tax Credits to previously funded projects will be made to the project(s) receiving the highest score(s) using the 2004 QAP.

## ELIGIBLE PROJECTS

### Section 9 Eligible Project Categories

The 2004 QAP contains seven eligible project categories listed below in sub-sections (A through G). Only one project category may be selected for each application.

A. Projects for Individuals/Families with Children - (New Construction):

To be considered for this category, at least **85%** of the units in the project must consist of two or more bedroom units, and four bedroom units must be limited to no more than **15%** of the total development. The units must be made available to individuals/families with children. Minimum unit sizes are as follows: one bedroom - 680 sq. ft.; two bedrooms - 780 sq. ft; three bedrooms - 900 sq. ft; and four bedrooms - 1020 sq. ft. No studio apartments are allowed.

B. Senior Housing Age 55 Years and Older - (New Construction):

To be considered for this category, all of the units in the project must be targeted for seniors. Pursuant to The Federal Fair Housing Act, at least 80% of the units must have one household member who is 55 years of age or older to be considered senior housing and at least 20% of the units must be rented to households in which every tenant is 55 years or older (62 years and older for USDA/RD projects).

At least 20% of the total units in the project must be two-bedroom units (with the exception of USDA/RD funded projects).

C. Special Needs Housing - (New Construction):

To be considered for this category, at least 30% of the units must serve the special needs population identified as:

- a. Persons with physical disabilities.
- b. Persons with developmental disabilities.
- c. Persons with mental illness as defined by the National Institute of Mental Health.
- d. Permanent supportive housing for persons and families who are homeless.
- e. Victims of domestic violence.
- f. Persons with HIV/AIDS (as diagnosed by a board certified physician).

- g. Transitional housing for persons released from incarceration by the Nevada Department of Corrections, including persons paroled or on probation.
- h. Transitional housing as defined in IRC Section 42 (i)(3)(B)(iii).
- i. Persons with drug, substance and/or alcohol abuse behavior. The individual must be in a state of recovery or is currently receiving treatment and/or counseling for the abusive behavior.

The Special Needs Populations identified in 1-9 above are not intended to be "all inclusive" and the Division reserves the right to award preference points to other Special Needs populations upon request of the project owner and review of the Division. The approval must be received prior to and submitted with the application.

Services and care provided to Special Needs Populations identified in 1-9 above must be provided for the initial 15-year IRS mandated period of affordability.

Units in projects intended to serve the Special Needs Populations identified in 1-9 above with physical disabilities must meet the project threshold and amenities requirements specified in Section 9 and Section 10 of the 2004 QAP.

**Other Designated Special Needs Categories for 2004 QAP.**

- j. Frail Elderly requiring assisted housing with 24-hour care.
- k. Persons with Alzheimer's/Dementia,

All of the units in projects intended to serve the Special Needs Populations identified in 10-11 above must be targeted for frail seniors, and/or for assisted housing and/or for seniors with Alzheimer's disease.

Services and care provided to Special Needs Populations identified in 10-11 above must be provided for the initial 15-year IRS mandated period of affordability. However, the continued provision of care will be assessed by the Division for viability and to determine if the project can continue as both an affordable housing facility and a provider of care. If the continued provision of care is not feasible, the Division has the authority to cancel the extended use agreement or no longer require the project to continue the delivery of services component to the elderly tenants.

The levels of care provided to Special Needs Populations identified in 10-11 above must be conducted on a 24-hour basis and broken down into the services provided, their respective costs and the funding to provide the care (foundation grants, etc.). Care to the low- and very low-income tenants must be separated from the rent and specified how it is to be provided to tenants whom cannot afford it. Costs, if any, must be optional to the tenant residing in the restricted units.

For projects serving the Special Needs Populations identified in 10-11 above, the funding, costs and services to the lower-income tenants must be specified and all additional cost to the lower-income tenants must be optional. The subsidization of the services to the low-income Special Needs Populations identified in 10-11 above may be accomplished through developing a mixed-income project. The residual income derived from the market-rate units and the services provided may subsidize the needed services to the lower-income tenants.

For projects intended to serve the Special Needs Populations identified in 10-11 above, only 20/50 and 40/60 mixed-income projects will be considered. The project will not be eligible for any extended compliance points.

D. Assisted Living Developments.

To be considered for this category, assisted living developments must that have one or more of the following direct commitments by public and/or private entities:

1. A donation of land from a governmental unit (federal, state or local).
2. A parcel of land transferred at a nominal cost from a governmental unit (federal, state or local).
3. Governmental and/or private contributions that subsidize the particular assisted living service provided for by the development.
4. Governmental and/or private services directly provided by the development.

E. Housing for Eventual Tenant Ownership - (New Construction):

To be considered for this category, all of the units in the project must be made available for eventual ownership and will be limited to detached, single family structures; and/or townhomes (which must have separate legal descriptions when made available for ownership). Scattered site projects will not be allowed. All single-family homes must be located in the same parcel or parcels if they are contiguous.

The project must meet the initial 15-year period of affordability and compliance with the LIHTC program. The project will be exempt from any additional affordability requirements when all of the single-family structures in the project are sold to eligible families.

Upon the termination of the 15-year compliance period, the units in the project must be made available for purchase by the existing tenants by rights of first refusal, or made available for sale by income-qualified families/individuals at the gross-income level of the project's elected minimum set-aside. The lots for each single-family home must be parceled out and must have separate legal descriptions. Homes not yet sold must remain affordable rental units pursuant to the terms and conditions of the original application; and the 15-year affordability period will be extended on all of the remaining, unsold units until the last single-family home in the project is purchased. The project is not eligible for any extended compliance points.



The purchase price of the units must be set, taking into consideration the rent paid by the tenants, a portion of which must be set aside and accumulated to contribute as a down payment towards the purchase of the unit (di minimis payment). Tenants who terminate residency at the project must have this money returned to them plus nominal interest accrued.

The mortgage must be a 15-year mortgage, the rates and terms being reflective of those offered in the open market at that time.

F. Mixed Income Residential Projects - (New Construction):

To be considered for this category, a minimum of 10% of the units in the project must be unrestricted, market-rate dwelling units. Once established, the qualified basis (applicable fraction) for the project must be maintained for at least the 30-year compliance period. The applicable fraction will be the lesser of the percentage of Tax Credit units to the total units in the project, or the percentage of restricted square footage in the project to the total square footage in the project, excluding common areas.

G. Acquisition/Rehab/Conversion<sup>3</sup>/Change of Use<sup>4</sup>:

Applications for Acquisition/Rehab may be proposed for any tenant base specified in Section 8 A-D of the 2004 QAP. However, the project will be categorized and scored solely as an Acquisition/Rehab project. To be considered for this category, the following is required:

All units will be dedicated to affordable housing and all of the existing buildings, excepting out buildings (e.g., garages, storage sheds or workshops) are to be adapted for use as low-income rental dwelling units.

Projects applying for Tax Credits in this category must have a per-unit rehabilitation investment of at least \$10,000 in actual construction costs (not eligible basis). Rehabilitation work elements and costs must be specified in the Comprehensive Needs Assessment (Section 9.G. Project Threshold Requirements). The allowable acquisition price in eligible basis is the “as-is” appraised value as of the date of acquisition. A copy of the appraisal must be submitted with the application.

The rehabilitation investment will be calculated by taking the actual hard construction cost of the project, divided by the number of residential units.

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<sup>3</sup> Conversion Projects - structures converted from an unrelated use to housing (i.e. converting an old schoolhouse into affordable housing).

<sup>4</sup> Change of Use Projects - projects, which alter existing housing to meet other housing, needs (i.e. converting a transitional housing project into affordable housing for the elderly).

The building(s) must be purchased by the project owner, and meet the 10-year test in order to qualify for acquisition/rehab Tax Credits. . The project owner must provide a certification by a tax attorney that the 10-year rule has been met.

## PROJECT REQUIREMENTS

### Section 10 Project "Threshold" Requirements

The following reflect minimum threshold requirements:

#### A. Compliance Period.

Except as provided for below the minimum compliance period for Tax Credit projects is 30-year. The project owner has the option of extending this period in increments of 5 years up to a maximum of 50 years.

1. Special Needs Housing (Sections 8.C.10 and 8.C.11.): The minimum compliance period for special needs housing projects for the frail elderly and seniors with Alzheimer's disease is 15 years.
2. Assisted Living (Section 8.D.): The minimum compliance period for assisted living projects is 15 years.
3. Tenant Ownership (Section 8.E.): The minimum compliance period for tenant ownership projects is 15 years.

The Division will not agree to stipulations or subordinations agreements to reduce the affordability period of a Low Income Housing Tax Credit Project.

#### D. Rent Restrictions.

Rent must be restricted to one of the following elections:

1. A minimum of 40% of the units will be occupied by households with incomes at or below 60% AMI. In 100% Tax Credits projects, all units must be rent and income restricted to 60% of AMI or lower.
2. A minimum of 20% of the units will be occupied by households with incomes at or below 50% AMI. In 100% Tax Credits projects, all units must be rent and income restricted to 50% of AMI or lower.

#### E. Project Feasibility.

The project must be financially feasible at the time of application and at the time the Division makes a final award of Tax Credits.

#### D. Housing Quality Standards.

The project must provide decent, safe and sanitary housing for low-income persons as set forth in any applicable statute or regulation during the compliance period.

E. Reserves For Replacement.

The project must maintain minimum annual replacement reserves as follows:

1. For new construction senior projects: \$200 per unit.
2. For all other new construction projects: \$250 per unit.
3. For all Acquisition/rehabilitation Projects: **\$300** per unit.

Annual replacement reserves that exceed the above referenced minimums by more than 20% may be considered excessive and the Division may require additional documentation supporting the higher annual replacement reserve. The Division reserves the right to limit excessive minimum reserves.

F. Market Study.

The project owner must provide a market study conducted by an independent third-party that provides evidence of the need of the project at the proposed location.

1. Minimum Qualifications. The party completing the market study must have the following qualifications:
  - a) Minimum of five years of experience, with a strong background assessing affordable housing markets,
  - b) Multi-state experience,
  - c) Bachelor's degree in real estate development/ finance, planning, marketing, accounting, statistics or a related field and,
  - d) Certification from a nationally recognized housing or real estate market research association.
2. Required Format and Elements of Market Study: **The market study must be organized using the format below and minimally include the elements listed below.**
  - a) Statement of Qualifications/Conflict of Interest Disclaimer
    - i. Statement of the qualifications of the market analyst.
    - ii. Certification that the market analyst will not benefit financially if the project receives a reservation or award of Tax Credits.
  - b) Description of Market Area
    - i. Description of the proposed project site and market study area. (The market study area must include an area within a 2.5-mile radius of the project site in urban areas and 5-mile radius of the project in rural areas unless otherwise supported by the market study.)
    - ii. General description of housing stock/types in market area.
    - iii. General description of major employers and public facilities in the market area.
    - iv. Maps of project site and market study area including a map of all affordable or similar housing projects located within 2.5 miles of the proposed project.

c) Analysis of Housing Demand

- i. Analysis of income eligible households in the market area that can afford to pay the proposed rents.
- ii. Analysis of household sizes and rental housing types in the market area.
- iii. Analysis of economic and employment landscape

d) Competitive Assessment of Comparable Projects in Market Area

- i. Description of comparable market-rate and affordable properties in the market area including details on unit size, project amenities, and proximity to services.
- ii. Description of rent levels and vacancy rates of comparable market-rate and affordable properties.
- iii. Analysis of available operating expenses and turnover rates of comparable properties in the market area, when information is available.<sup>5</sup>

e) Assessment of Project Impacts on Housing Market

- i. Analysis of expected market absorption of the proposed project,.
- ii. Analysis of the impact of the proposed project on the rent levels and vacancy rates of other assisted and/or subsidized housing projects.
- iii. An assessment of the potential financial impacts on other assisted and/or subsidized housing projects.
- iv. Analysis of the potential affects the business closures of a major area employer would have on the proposed project.

G. Threshold Requirements for Acquisition/Rehabilitation Projects.

1. Capital Needs Assessment: A Capital Needs Assessment (CNA) is required for all acquisition/rehabilitation or conversions projects whether or not the project will maintain its affordability for 30 years or more. The CNA must be prepared by a competent independent third-party.
2. Scope of Rehabilitation: Rehabilitation developments must demonstrate that the rehabilitation is substantial and involves at least \$10,000 per unit in direct hard costs (actual construction costs). If the CNA reflects a per-unit investment of less than \$10,000 per unit, the project will not be considered for Tax Credits.
3. Service Date: All buildings must be placed in service within two years from the date of allocation of the Tax Credits, or the Tax Credits will be returned to the Division.
4. Tenant Displacement and Relocation: To minimize displacement of existing tenants, the developer may choose to income-qualify all tenants for Tax Credits eligibility immediately upon

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<sup>5</sup> The Division acknowledges that obtaining operating expenses and turnover rates on comparable properties may be difficult to obtain and therefore, the absence of this information from the market study will not cause the market study to be rejected

acquisition of the buildings in the project.

5. Prior Ownership: Acquisition/Rehab project owners/sponsors must provide a detailed ownership history of buyer and seller. The project owner's prior ownership interest in the property cannot exceed 10 percent. No sale will be allowed from one partnership to another partnership in which the same entity is one of the limited/general partners in both partnerships and has more than a 10 percent interest in the purchased property.

#### H. Project Ownership Documentation

Owners/Sponsors must provide (1) proof of site ownership, supported by a copy of the grant deed or title insurance policy; or (2) a valid and binding purchase contract or option to purchase, identifying the seller and buyer, the amount to be paid, the expiration date of the contract or option, and a statement from the seller and buyer identifying any prior interest in the land or business dealings between seller and buyer; or (3) the resolution passed by the governmental body that owns the land, agreeing to transfer or provide a long-term lease of the property to the project owner under provisions of NRS 244.287. The resolution must further allow the first priority recording of the Division's Declaration of Restricted Covenants on the property.

The duration of acceptable long-term leases must be at least 50 years and fully cover the period of affordability. Governmental entities entering into long-term lease agreements with the project owners/sponsor must also agree to the Division Declaration of Restricted Covenants and must allow the recording of the Division's Declaration of Restricted Covenants on the property.

#### I. Energy Standards

Owners/Sponsors must comply with Energy Efficiency Standards and requirements specified in this section as a condition of receiving Tax Credits. The standards below are consistent with the requirements specified in the Regulatory Agreement for State Bond financed projects.

#### **Energy Requirements - New Construction Projects**

1. Energy Efficiency Standard. The project must have an overall energy efficiency rating of at least eighty-six [86] as measured by the Architectural Energy Corporation's REM-Rate Index. The REM Rate Index is a relative measurement of the energy efficiency of a residential building.
2. Pre-Construction Energy Audits. The owner/sponsor is required to contract with a qualified residential energy auditing company certified by Energy Rated Homes of Nevada to perform a Pre-Construction Energy Audit of the proposed project. Contact the Division for details on approved testers and pricing standards.

The Pre-Construction Energy Audit must be completed within 90 days of application.

The Pre-Construction Energy Audit will be completed using building plans and specifications. The information required to complete the Pre-Construction Energy Audit is referenced in ATTACHMENT C.

The output from the Pre-Construction Energy Audit must include NHD's Summary of Energy Saving Recommendations form which lists the most cost-effective energy saving measures for achieving the prescribed Energy-Efficiency Standard. A copy of the list of recommended energy saving measures must be provided to the Division. Installation of the recommended energy saving measures is the responsibility of the owner/sponsor and will be monitored by the Division.

3. Energy Audits and Inspections During Project Construction.

The project owner/sponsor agrees to provide the Division with access to perform the energy audits and inspections on a selected sample of residential units during and at the completion of project construction. The sample size will be sufficient to achieve a 95% Level of Confidence in the results of the audits. Sample testing will not be less than 15% of proposed units.

The energy audits performed by the Division will include:

- ? REM-rate energy audit to determine the overall energy efficiency of the project;
- ? Duct-Blaster test to measure air leakage of duct systems; and
- ? Blower-Door test to determine unit air leakage within residential units.

Audits and Inspections during project construction will include:

- ? After ceiling and wall insulation is installed and prior to installing dry wall;
- ? After building duct systems are installed and prior to enclosing duct work.

A final energy audit will be performed 60 days prior to project completion to determine whether the project complies with the Energy Efficiency Standards and requirements specified in this section.

**The Division will conduct energy audits and inspections within 7 days of receiving notice from the owner/sponsor of the project readiness.**

4. Remediation. If the Division's post-construction energy audits determine that the REM Rate measurement is less than the applicable Energy Efficiency Standard, the owner/sponsor shall make all necessary energy savings improvements and enhancements to achieve the Energy Efficiency Standard for new construction projects.

5. New Construction - Mandatory Energy Saving Elements.

- a) All units must have appliances that are EnergyStar rated (eg, refrigerator, dishwasher, clothes washer, room air conditioners);
- b) All units must have programmable, dual setback thermostats with instructions. Alternatives to programmable thermostats may be used in elderly projects with Division approval in cases where the project developer/sponsor provides information that the installation of the programmable thermostats would not be cost-effective;
- c) All laundry facilities must have appliances that are EnergyStar rated;
- d) All installed ceiling insulation must have R-Values not less than:
  - Northern Nevada, Lake Tahoe, Rural Nevada - R38
  - Southern Nevada - R30;
- e) All installed wall insulation must have R-Values not less than:
  - Northern Nevada, Rural Nevada - R19
  - Lake Tahoe - R21
  - Southern Nevada - R11;
- f) All units must have heating systems that exceed 90% AFUE rating;
- g) All units must have water-heating devices that meet or exceed :
 

?	30 gallons	gas .58 energy factor	electric .89 energy factor
?	40 gallons	gas .56 energy factor	electric .88 energy factor
?	50 gallons	gas .55 energy factor	electric .86 energy factor;
- h) Roofing must have minimum 40-year composition roofs, standard concrete tile, or .30 sheet metal;
- i) All units must have dual-paned spectrally specific low-e windows designed for warm climate zones;
- j) All sun struck exposure windows in Clark County (Southern Nevada) are required to have solar screens. A sun struck window is one that receives at least two (2) hours of direct sunlight after sunrise and before sunset during a cooling degree-day, as defined by DOE Department of Energy in Climate Zone 5.
- k) SEER ratings for northern projects, 10; for southern projects, 12.

The owner/sponsor may substitute equipment and materials or utilize alternative technologies that achieve energy efficiencies comparable to the measures listed above. Projects in counties that are governed by the Model Energy Code (1997) and produce a project efficiency equal to or more efficient than the requirements of the Plan are acceptable.





## **Energy Requirements - Acquisition/Rehabilitation Projects.**

6. **Pre-Rehabilitation Energy Audits.** The owner/sponsor is required to contract with a qualified residential energy auditing company certified by Energy Rated Homes of Nevada to perform a Pre-Construction Energy Audit of the proposed project. Contact the Division for approved testers and pricing standards.

The Pre-Construction Energy Audit must be completed within 90 days of application.

The Pre-Construction Energy Audit will be completed on the existing building. The information required to complete the Pre-Construction Energy Audit is referenced in ATTACHMENT C.

The output from the Pre-Construction Energy Audit must include NHD's Summary of Energy Saving recommendations form listing the most cost-effective energy saving measures for achieving a REM-rate index score of 86. The list of energy saving measures is mandatory for rehabilitation projects. A copy of NHD's Summary of Energy Saving recommendations form with the recommended energy saving measures must be provided to the Division. Installation of the energy saving measures is the responsibility of the owner/sponsor and will be monitored by the Division.

7. **Energy Audits and Inspections During Project Rehabilitation.** The project owner/sponsor agrees to provide the Division with access to perform the energy audits and inspections on a selected sample of residential units during project construction. The sample size will be determined by a formula to achieve a 95% Level of Confidence in the results of the audits. Sample testing will not be less than 15% of proposed units.

The energy audits performed by the Division will include:

- ? REM-rate energy audit to determine the overall energy efficiency of the project;
- ? Duct-Blaster test to measure air leakage of duct systems; and
- ? Blower-Door test to determine unit air leakage within residential units.

A final energy audit and inspection will be performed 60 days prior to project completion to determine whether the project sponsor has installed all of the required energy conservation measures identified during the pre-audit.

**The Division will conduct energy audits and inspections or schedule audit within 7 days of receiving notice from the owner/sponsor of the project readiness.**

8. **Remediation.** If the Division's post-construction energy audits/inspections determine that any of the required list of energy conservation measures were not installed, the owner/sponsor shall make all necessary energy savings improvements and enhancements required by the energy audit.

9. Acquisition/Rehabilitation – Mandatory Energy Savings Elements.

- a) All energy savings improvements and enhancements identified during the pre-rehabilitation energy audit must be satisfactorily installed.
- b) All replacement refrigerators, dishwashers, clothes washers, room air conditioners must be EnergyStar rated;
- c) All installed ceiling insulation must have R-Values not less than:
  - Northern Nevada, Lake Tahoe, Rural Nevada - R38
  - Southern Nevada - R30;
- d) All installed wall insulation must have R-Values not less than:
  - Northern Nevada, Rural Nevada - R19
  - Lake Tahoe - R21
  - Southern Nevada - R11;
- e) All replacement heating systems that exceed 90% AFUE rating;
- f) All replacement water-heating devices must meet or exceed:

?	30 gallons	gas .58 energy factor	electric .89 energy factor
?	40 gallons	gas .56 energy factor	electric .88 energy factor
?	50 gallons	gas .55 energy factor	electric .86 energy factor;
- g) All replacement roofing systems must have a minimum 40-year composition roofs, standard concrete tile, or .30 sheet metal;
- h) All units must have dual-paned spectrally specific low-e windows designed for warm climate zones;
- i) All sun struck exposure windows in Clark County (Southern Nevada) are required to have solar screens. A sun struck window is one that receives at least two (2) hours of direct sunlight after sunrise and before sunset during a cooling degree-day, as defined by DOE Department of Energy in Climate Zone 5.
- j) SEER ratings for northern projects, 10; for southern projects, 12.

The owner/sponsor may substitute equipment and materials or utilize alternative technologies that achieve energy efficiencies comparable to the measures listed above. Projects in counties that are governed by the Model Energy Code and produce a project efficiency equal to or more efficient than the requirements of the Plan are acceptable.

J. Housing Development Experience.

The project owner must demonstrate sufficient organizational capacity to develop and manage low-income housing<sup>6</sup> projects. To make this demonstration, the Division requires applicants to provide the following additional information with the Tax Credit application.

1. Housing Experience. Applicants must submit an addendum to the application providing a description of at least five projects developed/managed, including the name and location, date construction began, the date lease-up began, current occupancy levels, and permanent financing sources. Organizations with less than five projects will be considered if they have received an allocation of Tax Credits within the last three years and if the project(s) is in good standing.

A copy of the recorded Declaration of Restricted Covenants must be provided for these projects. If the project owner or developer is a Nevada based developer, and the declaration of restrictive covenants are filed and on record with the Division, simply state the name of the completed project. (See NAC 319.989(16))

The project owner must identify the individual or employee for which experience is being claimed and their involvement in the project. The owner/sponsor must demonstrate that housing management personnel have undergone management training from the Division or a nationally recognized Tax Credit compliance trainer.

2. Compliance History. The project owner must demonstrate a satisfactory record of compliance with regulatory and program requirements. Applicants must provide an addendum to the application describing outstanding compliance violations cited during project monitoring reviews by Federal, State, or local funding agencies. If there are no outstanding compliance violations, the applicant may simply indicate that there are no outstanding negative compliance findings.

**The Division may reject applications and/or make reductions to application point totals as prescribed in Section 20 in cases where owners/sponsors have significant outstanding unresolved negative compliance findings.<sup>7</sup>**

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<sup>6</sup> A low-income housing project is defined as a project with rents restricted by a recorded Declaration of Restrictive Covenants, for a specific number of years, and by limiting tenancy to families whose gross income does not exceed 60% AMI.

<sup>7</sup> Negative Findings generally refer to cases in which 25% or more of the units are found to be in material non-compliance and the responsible public entity has filed a 8823 form or other similar notification of non-compliance.

K. Special Needs Housing Experience.

The project owner of special needs projects must demonstrate a minimum of three years of experience providing a service or assistance to persons with special needs. Organizational information included in the application package must demonstrate the minimum of three years of experience and provide a summary of the supportive services provided to residents.

L. Fair Housing and ADA Compliance.

The project must comply with federal fair housing laws, regulations and design requirements for handicapped accessibility. This includes the standards specified within the Americans with Disabilities Act (ADA) and Section 504 where applicable.

The developer/sponsor must ensure that the project's architectural plans/drawings meet all federal fair housing laws, regulations and design requirements and that the completed project included all of the required handicapped accessibility requirements. Minimally, the project must conform to the Seven Safe Harbors listed in ATTACHMENT D.

M. Project Implementation.

Each project owner must sign the Division's Agreement to Commence Construction within 270 days in order to receive a reservation of Tax Credits. Failure to comply with the Agreement will result in the forfeiture of the awarded Tax Credits.

Projects must be closed and ready to proceed within 270 days from the date of the reservation letter. Projects not meeting this deadline may submit a written request to the Division to request a 45-day extension. The 45-day extension will be granted in instances when acts of God occur (flood, fire, earthquake, storm, etc.) resulting in the delay. (*See* NAC 319.981).

Projects that have not closed within the 270 days, or have been granted a 45-day extension and have not closed within the 45-day extension period, will have their reservation of Tax Credits terminated.

N. Execution of Agreement.

Owners/Sponsors must execute an agreement to promote the Division's participation in the project during the construction phase. (See Exhibit 4 of the application).

## Section 11 Required Project Amenities

### A. Project Amenities for Family Projects (Section 8.A.):

(New Construction 40 or More Units):

1. Community areas minimum of 500 sq. ft. to combine 32-inch color TV, entertainment system (stereo, DVD, VHS and PlayStation or similar type product), set of sofas or sofa/loveseat, two lounge chairs, end or coffee tables, carpeting and/or ceramic tile, and facilities to prepare and serve food that includes a counter area, refrigerator, microwave oven, sink, garbage disposal that are EnergyStar rated, with resilient and/or ceramic tile floor;
2. Security system<sup>8</sup> for each unit and/or project;
3. Washer and dryer hookup in each unit;
4. Equipped playground to include a (Powerscape, GameTime, or equivalent play set), a tot lot in a soft ball aggregate, or equivalent site of at least 1000 sq. ft..

### B. Project Amenities for Family Projects (Section 8.A.):

(New Construction Less Than 40 Units):

1. Security system<sup>9</sup> for each unit and/or project;
2. Laundry facility on site - one washer and one dryer that are EnergyStar rated for every 10 units of housing; and
3. Equipped playground to include a (Powerscape (r) by Play Systems Mfg. or GameTime (r) by Miracle or equivalent play set), a tot lot in a soft ball aggregate or equivalent site of at least 500 sq. ft.

### C. Project Amenities for Elderly Housing (Section 8.B.):

(New Construction/Rehab 40 or More Units):

1. Community areas minimum of 500 sq. ft. to combine 32-inch color TV, entertainment system (a stereo system, DVD or VHS system), set of sofas or sofa/loveseat, two lounge chairs, end or coffee tables, carpeting and/or ceramic tile, and facilities to prepare and serve food that includes a counter area, refrigerator, microwave oven, sink, garbage disposal that are EnergyStar rated, with resilient and/or ceramic tile floor.
2. Security system<sup>10</sup> for each unit and/or project. Security systems may include gated communities, project or individual unit surveillance, or security systems.

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<sup>8</sup>Refer to list of security measures at end of this section.

<sup>9</sup>Refer to list of security measures at end of this section.

<sup>10</sup>Refer to list of security measures at end of this section.

3. Washer and dryer hookup in each unit or laundry facility with EnergyStar rated (clothes washer) and dryer. One washer and one dryer for every 10 units.
4. Fire detection and suppression sprinkler system in each unit. Suppression sprinkler equipment not required for elderly acquisition/rehabilitation projects.
5. Elevator (if more than one floor).
6. Hand rails and related hardware (hand rails, grab bars, and lever handled hardware for doors) that assists tenants and is Fair Housing and ADA compliant.

D. Project Amenities for Elderly Housing (Section 8.B.):

(New Construction/Rehab Less Than 40 Units/Single Story):

1. Community areas minimum of 500 sq. ft. to combine 32-inch color TV, entertainment system (a stereo system, DVD or VHS system), set of sofas or sofa/loveseat, two lounge chairs, end or coffee tables, carpeting and/or ceramic tile, and facilities to prepare and serve food that includes a counter area, refrigerator, microwave oven, sink, garbage disposal that are EnergyStar rated, with resilient and/or ceramic tile floor.
2. Security system<sup>11</sup> for each unit and/or project. Security systems may include gated communities, project or individual unit surveillance, or security systems.
3. Laundry facility on site - one washer and one dryer that are EnergyStar rated for every 10 units of housing.
4. Handrails and related hardware that assists tenants and is Fair Housing and ADA compliant (hand rails, grab bars, and lever handled hardware for doors).
5. Fire detection system in each unit.

E. Project Amenities for Tenant Ownership Housing (Section 8.E.)

(Single Family Homes Only, New Construction or Rehab):

1. Minimum of two-bedroom units with an average of 1,200 sq. ft. of residential area per unit excluding garages, outdoor patios, etc, but not less than 1,000 sq. ft. of residential area per unit or minimum allowed per local zoning;
2. Minimum of 5,000 sq. ft. lot or the minimum allowed per local zoning;
3. Washer and dryer hookup in each unit;
4. Minimum of one car attached garage.

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<sup>11</sup>Refer to list of security measures at end of this section.

F. Project Amenities for Acquisition/Rehab/Conversion/Change of Use (Section 8.G.):  
(40 or More Units):

1. Community area(s) with a minimum of 500 sq. ft.. The design and amenities in the community area should be suited to the project type. For rehabilitation projects serving special needs housing populations, the community area should be appropriate to the delivery of supportive service provided to residents. For rehabilitation projects serving individuals, families with children, and elderly populations the community area and amenities should be similar to those provided to family and elderly housing (Sections 10.A. through 10.D.).
2. Security system<sup>12</sup> for each unit and/or project;
3. Laundry facility on site in a common area - one washer and one dryer that are EnergyStar rated for every 10 units of housing.

G. Project Amenities for All Other Housing (Section 8.C., 8.D., and 8.F.):

1. Community area(s) with a minimum of 500 sq. ft.. The design and amenities in the community area should be suited to the project type. For assisted living and special needs housing projects the community area should be appropriate to the delivery of supportive service provided to residents. For mixed income projects, the community area and amenities should be similar to those provided to family and elderly housing (Sections 10.A. through 10.D.).
2. Security system<sup>13</sup> for each unit and/or project; and
3. Laundry facility on site - one washer and one dryer that are EnergyStar rated for every 10 units of housing.

Security Systems: For the purposes of this section, security systems include: project fencing, defensive landscaping, security doors, screens and gates, gated project access control systems using keypads or magnetic cards, self door locking door mechanisms, project/unit camera surveillance with on-site closed circuit monitor, panic attack systems, emergency lighting, burglar alarms, and other similar protective measures. Owner/sponsors may use any combination of these improvements.

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<sup>12</sup> Refer to list of security measures at end of this section.

<sup>13</sup> Refer to list of security measures at end of this section.



## PROJECT SCORING

### Section 12 Preference Point Scoring Categories

Each application will be scored based on the three scoring categories: Standard Scoring Factors; Project Type Priorities; and Special Scoring Factors.

- A. Standard Scoring Factors - Sections 13-20. Maximum score is 40 points. Standard Scoring Factors reflect core project outcomes of the Tax Credit program. All applications will be independently scored for each of the 8 (eight) Standard Scoring Factors.
- B. Project Type Priorities - Sections 21-27. Maximum score is 25 points. Project Type Priorities reflect housing need preferences contained in local housing plans. Applications will be grouped according to project type and compete for the points available for the project type. The three highest-scoring projects will be awarded points. The application with the highest score will receive the maximum points available to the project type. The application with the second highest score will receive one-half of the available points. The application with the third highest score will receive one point. In the event of a tie the points will be divided.
- C. Special Scoring Factors - Sections 28-32. Maximum score is 40 points. Special Scoring Factors reflect policy objectives set by the Division for the 2004 QAP. All applications will be independently scored for each of the 5 (five) Special Scoring Factors.

The 2004 QAP enables applicants to self-score applications in two of the three scoring categories. The points in the self-scoring categories represent 89% of the total points available for Family, Elderly, Tenant Ownership, and Mixed Income projects; 84% of the total points available for Special Needs Housing projects; and 76% of the points available for Assisted Living projects. Accordingly, most applicants will have a near-complete picture of their score at the time they submit their application. **A project scoring sheet is available in ATTACHMENT E.**

After the Division calculates the point totals of each application projects will be ranked according within each set-aside and geographic account. Applicants applying for Tax Credits under more than one account will be ranked under each account.

Tax Credit reservations will be based solely on high score.

**Standard Scoring Factors**

**Section 13 Project Location**

Each application may be eligible to receive a maximum of two preference points for project location as follows:

<b>RATING FACTOR (Select One)</b>	<b>PTS</b>
a) Projects that are located in a Qualified Census Tract, the development of which contributes to a concerted community revitalization plan.	
b) Projects that are located in a non-CDBG eligible census tract.	
c) Projects that are part of a Redevelopment Project Area as defined in Nevada Revised Statute 279.412.	
d) Projects located in a locally-designated priority development area, such as a transit-oriented development district.	
e) Acquisition/Rehab in an area covered by a state or local revitalization plan/strategy targeting the rehabilitation of existing housing.	
f) Nevada at Risk Properties as listed in the National Housing Trust Publication	
<b>MAXIMUM LOCATION PREFERENCE POINTS:</b>	<b>2</b>

Projects claiming preference points under A-F above require certification from the local jurisdiction/government agency clearly stating that the project is located in such an area.  
*See* NAC 319.989

## Section 14 Project Amenities

RATING FACTOR	PTS
<b>Exercise or Recreational Amenities</b>	
a) Swimming or lap pool (excluding tenant ownership projects)	3
b) Kiddy pool that purifies and recycles water at a minimum four spray positions. Each position must have individual timer for water spray, a 20 x 20 concrete area with drain, minimum five-foot rod iron high fence with gate that locks. The 20 x 20 concrete area shall have a Cool Deck type of surface. The water must recycle. (Family/Tenant ownership projects only)	3
c) Inground spa, at a minimum eight foot in diameter with seven jets, booster pump, blower, 20-minute timer, and 300,000 btu heater	2
d) Equipped weight/exercise room - minimum 250 sq. ft. and three exercise machines (excluding tenant ownership projects)	2
e) Equipped picnic area - minimum of three charcoal barbecue units and three 6' picnic tables with benches on three separate concrete slabs no less than 200 sq. ft. evenly distributed throughout the project. <u>For tenant ownership projects</u> , one charcoal unit, a 6' picnic table with benches on 64 sq. ft. concrete slab (or in patio area, if present) for each unit.	3
<b>Individual Tennant and Unit Amenities</b>	
f) Covered parking for each unit - per local building code (excluding tenant ownership projects)	2
g) Exterior storage for each unit - minimum 24 sq. ft. floor area, wood-framed structure. <u>For tenant ownership projects</u> , an attached two-car garage	2
h) Patio or balcony for each unit - minimum of 48 sq. ft. <u>For tenant ownership projects</u> , a covered, wood-framed and roofed rear patio area of no less than 64 sq. ft. with concrete slab	2
i) Ceiling fans for each unit - one in the living area and one in the master bedroom	1
j) Air conditioner or swamp cooler for each unit* - Swamp coolers or air conditioning for projects in Clark, Esmeralda, Lincoln, and the portion of Nye County that is south of Tonopah, Nevada, are ineligible.	2
<b>Project Amenities</b>	
k) Exterior lighting for each unit must be compact fluorescent/dusk dawn fixtures and illuminated walking path	2
l) Elevator (excluding elderly projects/tenant ownership projects) over 40 units	3
m) Computer/study room with full Internet access - minimum of 250 sq. ft. with a minimum of one computer for every 20 units (1.8 GHzv Intel Pentium 4 Processor, 128 MB. DDR SDRAM, 20 GB Hard Drive, 15-in. Monitor, 32 MB Graphics, 48X Max CD ROM, Microsoft Windows). <u>For tenant ownership projects</u> , hard-wiring for modem/wireless hookups for each home.	2
<b>MAXIMUM PROJECT AMENITIES PREFERENCE POINTS:</b>	<b>15</b>

The Division reserves the right to award points to other comparable project amenities appropriate to the type of project. However, the overall total points may not exceed fifteen. Request for the approval of

other comparable project amenities must be received prior to the submission of the application and must be described and incorporated in the project application.

**Section 15 Project Readiness**

Preference points in this category will be based on the following completed components of the project. All points claimed must be clearly documented, verifying their completion to the satisfaction of the Division:

<b>RATING FACTOR</b>	<b>PTS</b>
a) Ownership of the land	2
b) Proper zoning of the site; (can specify need for special use permit being required)	1
c) Soil testing completed	1
d) Completed Phase I environmental study	1
e) Partnership documents filed with the State of Nevada's Secretary of State	1
<b>MAXIMUM PROJECT READINESS PREFERENCE POINTS</b>	<b>6</b>

**Section 16 Nevada Based Applicant**

Pursuant to NAC 319.989(14), ten preference points will be awarded to projects if the project owner is deemed to be based in Nevada. To be deemed as based in Nevada, a project owner that is a natural person must be a resident of Nevada. If the project owner is a limited partnership, at least one of the general partners must meet the criteria below:

<b>RATING FACTOR</b>	<b>PTS</b>
a) Be organized as a corporation, partnership, limited-liability company or other principal of the entity for the last 12 months pursuant to the laws of Nevada;	
b) Maintain an office in Nevada from which a general partner, managing partner, principal officer of the applicant, including a president, or chief financial officer or chief operating officer, conducts regular business;	
c) Maintain an office that is sufficiently identified and staffed to ensure that a member of the general public may visit the office to substantively discuss matters relating to the project with one of the persons identified in (2) above.	
<b>MAXIMUM NEVADA BASED APPLICANT PREFERENCE POINTS</b>	<b>10</b>

If a project is awarded preference points in this category, all correspondence, letters, facsimiles and telephone communications from the Division will be directed to the Nevada office.

**Section 17 Nevada Based Projects by Out of State Based Applicants**

Preference points will be awarded to out of state applicants if the following criteria are met:

<b>RATING FACTOR</b>	<b>PTS</b>
a) Threshold Requirements: <ul style="list-style-type: none"> <li>i) The applicants/sponsor/developer has developed successful projects in Nevada within the past 10 years.</li> <li>ii) The applicants/sponsor/developer is in good standing with all Division projects under the Tax Exempt Bond, HOME, Low Income Housing Trust Fund, and/or Low Income Housing Tax Credit programs.</li> <li>iii) The applicant's development team is in good standing with all Division programs as defined in Number 2 above and the management company does not have any projects with a compliance rating less than 75%.</li> </ul>	
b) One point will be given for each successful project in Nevada up to the maximum of 5 points.	
<b>MAXIMUM PPROJECT READINESS PREFERENCE POINTS</b>	<b>5</b>

**Section 18 Affordability Period**

Preference points will be given to projects extending the period of affordability beyond the required 30 years. Applications will receive one preference point for each additional 5-year period of affordability, not to exceed 50 years.

<b>RATING FACTOR</b>	<b>PTS</b>
a) One point for each 5 years of extended affordability.	
<b>MAXIMUM PPROJECT READINESS PREFERENCE POINTS</b>	<b>4</b>

Projects developed for eventual tenant ownership and for frail elderly, assisted housing and seniors with Alzheimer's disease will not be eligible for points in this category.

**Section 19 Water Efficiency of Landscape Design**

Five preference points will be awarded to projects that are at least 75% desert/zero landscaped. This must be verified by the architect/landscape architect.

<b>RATING FACTOR</b>	<b>PTS</b>
a) 75 percent desert/zero landscaped	
<b>MAXIMUM PROJECT READINESS PREFERENCE POINTS</b>	<b>5</b>

**Section 20 Negative Compliance Findings**

Subtraction to Preference points will be made in cases where the owner/sponsor has unresolved negative compliance findings. Negative Findings refer to specific conclusions of compliance monitoring reviews where it is determined that 25 percent or more of an affordable housing project is in material non-compliance with programmatic and regulatory requirements. For tax credit projects, negative compliance findings are evidenced by the filing of an IRS Form 8823.

Applications from Project owners/sponsors with more than 3 unresolved negative compliance findings will not be considered.

<b>RATING FACTOR</b>	<b>PTS</b>
a) <u>One unresolved negative finding</u>	<u>(-1)</u>
b) <u>Two unresolved negative findings</u>	<u>(-3)</u>
c) <u>Three unresolved negative findings</u>	<u>(-5)</u>
<b>MAXIMUM PROJECT POINT REDUCTIONS FOR NEGATIVE COMPLIANCE FINDINGS</b>	<b>(-5)</b>

**Maximum number of preference points available for Standard Scoring Factors**

**Sections 13-20: 42 (Nevada-based Developer)  
37 (Out-Of-State Developer)**

## **Project Type Priorities**

The Division will award Preference Points for each of the project categories specified in Section 8 at the time of application review. Preference points may be claimed for only one project category.

Sections 21-27 below describe the ranking factors applicable to each project type. The application scoring the highest point score within each project category will receive the maximum amount of preference points shown. The second highest scoring application will receive one-half of the maximum preference points shown. The third highest scoring application will receive 1 point. No more than three applications will be given points for each project category by set aside.

### **Section 21 Preference Points for Projects for Individuals/Families with Children**

*Projects for Individuals/Families with Children* will be ranked based on the number of bedrooms contained within the entire project. For example, a 60-unit project with 20 2-bedroom units, 10 3-bedroom units and 15 4-bedroom units would have a total of 130 bedrooms in the project.

The application with the highest overall number of bedrooms in the project would receive 10 points, the second highest scoring project would receive 5 points, and the third highest scoring project would 1 point. ***Maximum 10 points.***

### **Section 22 Preference Points for Senior Projects Age 55 Years and Older**

*Senior Projects for persons Age 55 Years and Older* will be ranked based on the average unit size in the project per square feet. For example, a senior project of 50 units with 30 studio apartments, averaging 450 sq. ft., (13,500 sq. ft.) 10 one-bedroom apartments averaging 600 sq. ft. (6,000 sq. ft.), and 10 two-bedroom apartments averaging 750 sq. ft., (7,500 sq. ft.) has an average unit size of 540 sq. ft. (27,000 sq. ft. divided by 50 units) in the project.

The project with the highest average unit size per square foot will receive 10 points, the second highest scoring project will receive 5 points, and the third highest scoring project will receive 1 point. ***Maximum 10 points.***

### **Section 23 Preference Points for Special Needs Projects**

*Projects for persons with Special Housing Needs* will be ranked based on the experience of the project owner/general partner in developing the specified special needs housing and/or delivering the services relating to the special need. The experience must exceed the three-year minimum required by the Division and must be verified by a dated document, such as the articles of incorporation which verifies the number of years the organization has provided the service. A list of all of the housing units developed in chronological order commencing with the year the first project was placed in to service



must also be submitted. Applications will be ranked based on the following: (1) the number of months of experience will be weighted by 70%; (2) the number of housing units developed will be weighted by 30%. In the example below, Applicant One possesses 12 years of experience providing services to homeless individuals and has produced 250 units of transitional housing. Applicant Two possesses seven years of experience providing services to developmentally disabled people and has produced 300 units of housing for the developmentally disabled. The scoring is as follows:

<u>Application One</u>	<u>Application Two</u>
144 months x .70 = 100.8	84 months x .70 = 58.8
250 units x .30 = 75	300 units x .30 = 90
Total = 175.8	Total = 148.8

Application 1 has a higher over-all score and would receive more Preference Points than Applicant Two. The highest score as calculated above will receive 15 points, the second highest score will receive 7.5 points, and the third highest score will receive 1 point. **Maximum 15 Points.**

#### **Section 24 Assisted Living Special Developments Private Public Partnerships**

Assisted living developments must have one or more of the following direct commitments by public and/or private entities to be eligible to apply for Tax Credits.

- i. A donation of land from a governmental unit (federal, state or local).
- ii. A parcel of land transferred at a nominal cost from a governmental unit (federal, state or local);
- iii. Governmental and/or private contributions that subsidize the particular assisted living service provided for by the development; or
- iv. Governmental and/or private services directly provided by the development.

*Assisted Living Projects* will be ranked based on the public/private commitments provided to the project. The project with the greatest public/private commitments will receive 25 points, the second highest score will receive 12.5 points, and the third highest score will receive 1 point. **Maximum 25 points.**

#### **Section 25 Preference Points for Projects for Promoting Eventual Tenant Ownership**

*Projects for Promoting Eventual Tenant Ownership* will be ranked based on the total overall residential square footage made available for eventual ownership. For example, a project of 20 single-family homes, each with an area of 1,200 sq. ft. would have a total of 24,000 sq. ft. of residential space.

The project with the highest amount of overall residential square footage in the project will receive 10 points, the second highest scoring project will receive 5 points, the third highest scoring project will receive 1 point. **Maximum 10 points.**

## **Section 26 Preference Points for Mixed-Income**

*Mixed-Income Projects* will be ranked based on the percentage of market-rate units in the project which exceeds the minimum requirement of 10%. The square footage and bedroom size of both market-rate and restricted units must be proportional. Targeting smaller units with fewer bedrooms as the Tax Credits units will not be allowed. For example, if a 60-unit project with 30 market rate units (50%) is 30,000 sq. ft. and has 90 bedrooms, the amount of square footage and number of bedrooms should be equal to the square footage and number of bedrooms in the market-rate units.

Restricted units may be confined to specific building(s) in the project as long as the square footage and unit mix is proportional to the market-rate units. However, the buildings must be equally placed within the project and have full access to project amenities.

The project with the highest percentage of market-rate units will receive 10 points, the project with the second highest percentage will receive 5 points, the project with the third highest percentage will receive 1 point. ***Maximum 10 points.***

## **Section 27 Preference Points for Acquisition/Rehab, Conversion or Change of Use Projects**

*Acquisition/Rehab, Conversion or Change of Use Projects* will be ranked based on the per-unit rehabilitation investment (hard construction costs/number of units in the project).

The minimum investment per unit is ***\$10,000*** and the amount for which the project is claiming preference points must be reflected in the Capital Needs Assessment. (Section 9F).

The project with the highest per-unit rehabilitation investment will receive 10 points, the second highest scoring project will receive 5 points, the third highest scoring project will receive 1point. ***Maximum 10 points.***

### **Maximum number of preference points available for Project Type Priorities**

**Sections 21-27: 25**

Projects with no competing applications in the same geographic or specific set-aside in Sections 20-26 will receive the maximum point allowance by project type.

### Special Scoring Factors

The Division identified a limited number of factors considered essential to targeting the development of housing for low income persons, expanding the level of services available to at-risk households, and providing incentives for keeping project costs down

Sections 28 – 32 describe how preference points will be awarded to achieve these goals.

#### **Section 28 Preference Points for Low Rent**

All projects are eligible to receive preference points based on the overall rent targeting in the project. A project's overall rent level is determined by multiplying the percentage of the total units within each rent level(s) by the rent level in percentages. For Example:

	<b>Project One (40 units)</b>	<b>Project Two</b>	<b>Project Three</b>
Number of Units	40 Units	40 units	52 units
Distribution of Units	All units with 40% rents	15 units w/45% rents 25 units w/35% rents	All units with 35% rents
Scoring	100% X .40  Score = .4 score	37.5% X .45 = .16875 plus 62.5% X .35 = .21875 =.3875 score	100% X .35  = .3500 score

In this example, Project Three has the lowest overall rent level.

Preference points will be awarded in the amounts specified in the following table.

<b>Rating Criteria (Low Rent Score)</b>	<b>PTS</b>
= .30 (100% @ 30% rents)	10
> .30 and < .35	8
> .35 and < .40	6
> .40 and < .45	4
> .45 and < .50	2
> .50 and < .60	1

***Maximum number of preference points available***                      ***10***



of 8 hours per week. There will be no mandatory fees for the basic service. Any fee required will be at the discretion of the Division.

The project owner must provide the service for the initial IRS 15 year compliance period, and must not allow more than a 30-day gap in service provided. If a service provider's contract ceases to be valid the sponsor must notify the Division at the time (within seven (7) days) the contract is invalidated. If there is no notification and no new service contract executed by the time the development is audited and/or the Division is notified of an invalidated contract, the project will be considered out of compliance.

The 2004 QAP will award preference points for the following supportive services:

<b>Rating Criteria Supportive Services Provided</b>	<b>PTS</b>
A. Provision of childcare services on-site or linked to outside centers.	2 (on-site) 1 (off-site)
B. Providing health care services on-site or linked with a local health care provider.	2 (on-site) 1 (off-site)
C. Providing job-training programs on-site or linked with a local training center.	2 (on-site) 1 (off-site)
D. Providing one prepared meal on a daily basis available to all tenants	2
E. Transportation services	3
F. Computer literacy training made available to all tenants	1
G. Personal finance training; that includes money management, credit counseling and personal budgeting.	1
<b>Maximum Supportive Services preference points available</b>	<b>10</b>

The Division reserves the right to award preference points to other supportive services upon request of the project owner and review of the proposed service plan by the Division. However, the overall total may not exceed ten. The approval must be received prior to and submitted with the application.

A CPA must make a determination that commercial and/or health care activities on-site will not have an adverse affect on the project's eligible basis.

### Section 31 Preference Points for Lowest Developer Fee

The developer fee must not exceed 15% of the total cost of the project excluding the developer's fee. The fee includes profit and overhead of the developer, in addition to fees for consultants/processing agents. The cost certification must reflect the developer fee disclosed within the original application and may not be changed for any reason.

Preference points will be awarded on a basis of 1 point for each 1% reduction in developer fee to a maximum of 5 points.

<b>Rating Criteria Developer Fee</b>	<b>PTS</b>
A. Less Than 11%	5
B. 11.0% to 11.99%	4
C. 12.0% to 12.99%	3
D. 13.0% to 13.99%	2
E. 14.0% to 14.99%	1
F. 15%	0

*Maximum number of preference points available*                      **5**

### Section 32 Preference Points for Lowest Contractor Fee

Contractor fees must not exceed 14% of the total cost of the project. The fee will be determined by excluding contractor profit, overhead and general requirements from the actual costs of construction and calculating the percentage. The original contractor fee must be reflected at cost certification time and may not be changed. Any contractor fee in excess of 14 percent will be taken out of the Gap Calculation for determination of the final Tax Credit allocation and issuance of IRS Form 8609. Construction costs will be limited to on-site work, the construction of new structures/accessory buildings and/or the rehabilitation of existing structures. *See NAC 319.987*

<b>Rating Criteria Contractor Fee</b>	<b>PTS</b>
G. Less Than 10%	5
H. 10.0% to 10.99%	4
I. 11.0% to 11.99%	3
J. 12.0% to 12.99%	2
K. 13.0% to 13.99%	1
L. 14%	0

*Maximum number of preference points available*                      **5**

**Maximum number of preference points offered for Special Areas of Consideration**  
**Sections 27-31: 40**

**Section 33 Tie Breakers**

In the event that one or more projects competing for Tax Credits in the same set-aside or geographical account receives an identical number of preference points, the Division will break the tie by determining which proposal leverages the greatest level of non Tax Credit funding.

This will be determined by dividing the total amount of Tax Credits requested by the total project costs. The project with the lowest percentage of Tax Credits to project cost will be the successful project

If the above fails to break the tie, the Division will conduct a lottery pursuant to NAC 319.990.

## PROJECT DEVELOPMENT INFORMATION

### Section 34 Maximum 2004 Per Unit Development Cost

In allocating Tax Credits to a project, the Division will consider the number and size of units (based on the number of bedrooms) to the project's eligible basis.

The Division will not allocate Tax Credits for eligible basis costs that are in excess of HUD's Section 221(d)(3) per-unit cost limits<sup>14</sup> plus the per unit developer fee proposed for the project. If a project's per unit eligible basis exceeds the amounts listed below plus the per unit developers fee the project owner must provide documentation to the division that the project is financially feasible.

Area	Base Limits	So. Lake Tahoe	Las Vegas (Clark Co)	Carson City Reno/Sparks	Lincoln Co	Nye Co.	All other Areas
High Cost Factor		194	187	182	169	159	172
<b>Non Elevator</b>							
0 bdrm	\$42,048	\$81,573	\$78,630	\$76,527	\$71,061	\$99,856	\$72,323
1 bdrm	\$48,481	\$94,053	\$90,659	\$88,235	\$81,933	\$77,085	\$83,387
2 bdrm	\$58,469	\$113,430	\$109,337	\$106,414	\$98,813	\$92,966	\$100,567
3 bdrm	\$74,840	\$145,190	\$139,951	\$136,209	\$126,480	\$118,996	\$128,725
4 bdrm	\$83,375	\$161,748	\$155,911	\$151,743	\$140,904	\$132,566	\$143,405
<b>Elevator</b>							
0 bdrm	\$44,250	\$85,845	\$82,748	\$80,535	\$74,783	\$70,358	\$76,110
1 bdrm	\$50,724	\$98,405	\$94,854	\$92,318	\$85,724	\$80,651	\$87,245
2 bdrm	\$61,680	\$119,659	\$115,342	\$112,258	\$104,239	\$98,071	\$106,090
3 bdrm	\$79,793	\$154,798	\$149,213	\$145,223	\$134,850	\$126,871	\$137,244
4 bdrm	\$87,588	\$169,921	\$163,790	\$159,410	\$148,024	\$139,265	\$150,651

### Section 35 Operating Expenses

Project operating expenses between \$200-\$300 per unit/per month are typical for projects in Nevada and considered acceptable by the Division. Applications for projects with operating expenses outside this range must include an explanation of why the expenses are higher or lower. The Division reserves the right to adjust Tax Credits on projects with operating expenses greater than the \$200.00 to \$300.00 range.

See NAC 319.987

<sup>14</sup> NOTE: The following figures are HUD's Section 221(d)(3) per unit limits for December, 2001. Figures for 2004 will be listed when provided by HUD. In the event that the issued HUD Section 221(d)(3) per unit cost limits for 2004 are lower than the previous year's established limit for any jurisdiction, the per unit costs listed for 2004 may be increased by 15 percent. This increase will be at the discretion of Division staff if requested by the project sponsor and evidenced by supporting documentation.



### **Section 36 Estimation of Utility Allowance**

At the time of application, the project owner must estimate the amount of utility allowance applicable to each unit, considering the square footage of the unit and the proposed source of energy in accordance with Treasury Regulation § 1.42-10. The project owner assumes the risk that these estimates will be reasonable and supportable. At the time the project is placed in service, the project owner must provide evidence that the utility allowance used conforms to the requirements of the Code and Treasury Regulation. Failure to do so will result in forfeiture of the Tax Credits.

The project owner may provide a survey of actual utilities being paid in the area or use the PHA utility allowance for the area. Surveys must: (1) have been conducted within 12 months of the application; (2) sampled units must be located within a radius of 50 miles from the proposed project location; (3) sampled units must be similar in size, within 10%, based on unit square footage, to those in the project; (4) include a sample size of at least 10 units; (5) the energy source must be the same as proposed for the project; and (6) include the address and square footage of each unit surveyed.

### **Section 37 Adjustments to Eligible Basis for Projects Located in Qualified Census Tract and Difficult to Develop Areas**

Applicants who build projects located in a qualified census tract or in a difficult to develop area are authorized to utilize 130% of eligible basis as a factor in determining the adjusted eligible basis.

- A. 2003 IRC Section 42(d)(5)(C) Metropolitan Qualified Census Tracts
  - 1) Las Vegas Metropolitan Area: 3.01; 3.02; 4.00; 5.03; 5.04; 5.11; 5.14; 6.00; 7.00; 8.00; 9.00; 11.00; 22.0; 22.04; 24.04; 24.05; 26.01; 34.25; 38.00; 43.00; 44.00; 46.00; 47.03; 47.07; 47.08; 47.09; 47.10; and 47.13.
  - 2) Reno/Sparks Metropolitan Area: 1.00; 9.00; 18.00; 19.0; and 22.03.
  
- B. 2003 IRC Section 42(d)(5)(C) Non-Metropolitan Qualified Census Tracts
  - 1) Elko County - 9403.00
  - 2) Mineral County - 9402.00
  
- C. 2003 IRC Section 42(d)(5)(C) Metropolitan Difficult To Develop Areas
  - ⌘ No areas listed.
  
- D. 2003 IRC Section 42(d)(5)(C) Non-Metropolitan Difficult To Develop Areas
  - ⌘ No Areas Listed.

Any additional change(s) in the designation will be issued by HUD in the Federal Register at a later date and be made a part of the 2004 QAP. See NAC 319.991

### **Section 38 Maximum Amount of Tax Credits Awarded**

A. Developer Cap:

The Division has elected to limit the total amount of Tax Credits a developer may receive under the 2004 plan to a maximum of \$1.5 million. This limit does not circumvent the per-project Tax Credit cap.

B. Project Cap:

The Division has elected to limit the amount of tax credits a project may receive under the 2004 plan to \$750,000. Application for Tax Credits in excess of \$750,000 will be rejected. The Division will accept applications that request Tax Credits for more than one sub-account, as long as the total amount of Tax Credits requested does not exceed the maximum limit. The Division reserves the right to award more than \$750,000.00 of Tax Credits to projects financed by the Tax Exempt Bond Program, if the project complies with all of the Division's policies, procedures and all State and federal regulations and laws.

See NAC 319.992.

C. Multiple Project Phases.

The Division reserves the right to reject multiple applications if they are determined to be for one project that has been split in order to circumvent this maximum. Projects that are phased in from one Tax Credits plan year to another will not be considered as one project for the purposes of this maximum. For example, if a project owner receives Tax Credits on a project this year and next year qualifies and is appropriately ranked for an expansion or new phase of the existing project, the project owner may receive the maximum Tax Credits for the new phase.

D. Tax Credit Return.

The project sponsor may voluntarily return Tax Credit awards before the carryover allocation is due. If a project receives a carryover allocation and the project sponsor decides to return the Tax Credits, the return will be considered involuntary. *See* NAC 319.972.

### **Section 39 Final Allocation of Tax Credits**

Once all of the buildings in the project are placed in service, the sponsor or project owner may request the final allocation and IRS form(s) 8609.

The following information needs to be completed to receive the IRS form(s) 8609:

1. Final allocation application.
2. CPA certification of costs. The Division will consider the Initial CPA Certification of Costs as the true and correct document for the issuance of IRS Form 8609.
3. Final Energy Audit and Inspection. The final energy audit/inspection for new construction must have a REM Index Rating of 86 or higher. The final energy audit/inspection for rehabilitation projects must show that all of the energy saving measures identified in the Pre-energy audit have been properly installed.

4. Pre 8609 inspection by Division. The inspection will include a review of proposed unit mix and amenities in the application and completeness of constriction.
5. Comply with Section 42 (Lease up Requirements).
6. Letter certifying permanent financing is in place.
7. Letter acknowledging project has met ADA design standards.

#### **Section 40 Tax Credit Monitoring**

As of January 1, 2001, all compliance monitoring will require habitability standard inspection as per Treasury (IRS) Regulation 1.42.5.

#### **Section 41 Fees**

All fees paid to the Division are non-refundable.

##### **A. Application Fee**

The application fee is \$1,250.00 (Budget consideration figure for these amounts has not been determined yet.)

##### **B. Re-submission Fee**

If the application has been withdrawn or rejected during the previous allocation round, or if the project owner desires to make any material changes to the application, a fee of \$1,000.00 will be required. Re-submitted applications will not be accepted after the application closing date of any Tax Credits round.

##### **C. Reservation Fee**

A reservation fee equal to 6.8% of the Tax Credits reservation amount is payable at the time the Division reserves the Tax Credits for the project. Non-profits that are not joint-venturing or in partnership with a for-profit project owner will have the option of (1) paying 1.8% of the credit amount at the time of reservation and the balance of 5% on or before six months from the date of reservation, or (2) the total reservation fee of 6.8% at the time the Division reserves Tax Credits for the project. The reservation fee is due upon receipt of the reservation letter **and must be paid on or before May 30, 2004.** (Budget consideration figure for these amounts has not been determined yet.) *See NAC 319.978(2).*

##### **D. Carryover Fee**

An administrative fee of \$400.00 will be charged for each carryover letter issued by the Division. The project owner's federal tax identification number must be supplied at the time the carryover commitment is requested.

E. Compliance Monitoring Fee

A fee of \$150.00 plus \$20.00 for each low-income unit will be charged for each year of the compliance period. Annual fees for each project are immediately due when the project is placed in service and by January 31 of each year thereafter throughout the extended use period, 30 or more years. The Division reserves the right to adjust monitoring fees as necessary on a project-by-project basis to cover the cost and expense of monitoring compliance.

F. Compliance Training Fee

A fee of \$25.00 per person will now be required to attend the Division's annual Tax Credit Compliance Training. The one-day training session, usually conducted in April/May of each year, is held in Las Vegas and Carson City/Reno. Attendance is mandatory for all on-site property managers. Notice of the training sessions will be announced every year once a date and site are determined.

G. Compliance Monitoring Fee for Second Audit

If a property receives an audit in which the property is substantially out of compliance (less than 75% of the property is in compliance or there are issues regarding the minimum set aside and the property requires a second audit), there will be an additional audit fee equal to the per unit monitoring fee for each unit/file that requires a second audit.

H. Legal Fees

If the sponsor and/or developer of the project request a change or decision which requires the Division to obtain legal advice beyond the normal guidance provided by the Division Counsel, the sponsor and/or developer will be billed for the legal service at a rate of \$475.00 per hour. Legal fees must be paid if the Division's Counsel or Tax Counsel performs legal work that requires more than one (1) hour of time.

I. Energy Audit Fees

The 2004 QAP requires owners/sponsors to conduct a Pre-Construction Energy Audit prior to new construction or rehabilitation within 90 days of the application. If the owner/sponsor cannot contract for energy audit services within this period, the Division may procure the required energy auditing services. In this event, the costs of the energy auditing services will be reimbursed to the Division by the owner/sponsor. The Division's cost of performing energy audits is \$7,000 per audit for projects under 250 units.

## **Section 42    Debarred List**

The Administrator will have the option to reject application for Tax Credits due to the following: If the developer and/or equity partner (1) is included on the HUD Debarred List; (2) defaulted or failed to Complete Funding or Construction on a Tax-Exempt Bond Issue; (3) defaulted and/or failed to comply with a HOME and/or LIHTF and/or; (4) defaulted or failed to comply with a Tax Credit Project that receives a Tax Credit reservation or allocation by the Division.

## **Section 43    Lease-up Requirement**

Effective January 1, 2002, all project owners will be required to contact the Division once the first building in the project is issued a Certificate of Occupancy and prior to any lease-up. The Division will provide an orientation to the project owners and on-site property managers regarding the long-term compliance of the property with Section 42 of the IRS Code. The Division will review the State's Tax Credit Compliance Manual with project management and discuss the Division's compliance requirements and project management responsibilities. This orientation is mandatory. Failure to contact the Division as specified above will result in a delay of the Division's issuance of IRS form(s) 8609.

## **Section 44    Waiver of Annual Income Re-certification**

Projects that are 100% Low-Income Tax Credits are eligible for a waiver of annual income re-certification under provisions of IRS Revenue Procedure 94-64. To request a waiver, the project owner/sponsor must provide the Division with a certification from a nationally recognized consulting firm proficient in monitoring compliance requirements under the provisions of IRC § 42 that the project is eligible to receive such a waiver.

The required certification must certify that as of the date of the audit the project was 100% in compliance with all of the provisions of Internal Revenue Code§ 42. The required certification must recommend that the project and project owner be granted a waiver of annual income re-certification as provided under IRS Revenue Procedure 94-64.

Approval of the waiver request will be made through a statement issued by the Division that the project is in compliance with the IRC § 42.

At the request of the project owner/sponsor, the Division will supply a list of consulting firms with expertise in the area of IRC § 42 compliance. The project owner is responsible for contracting with the consulting firm of its choice.

All fees and expenses are the sole responsibility of the project owner. The Division will not recommend any consulting firm. The Division reserves the right to reject an audit or to contact the audit firm directly

for clarification of its findings or to discuss methodology. The audit and findings must be filed with the Division within 30 days of the completion of the report.

## **Section 45 Tax Exempt Bond Program**

To receive 4% Tax Credits on a Tax Exempt Bond Project, a owner/developer must comply with the following:

- 1) Final allocation application.
- 2) CPA certification of costs. The Division will consider the Initial CPA Certification of Costs as the true and correct document for the issuance of IRS Form 8609.
- 3) Final Energy Audit and Inspection. The final energy audit/inspection for new construction must have a REM Index Rating of 86 or higher. The final energy audit/inspection for rehabilitation projects must show that all of the energy saving measures identified in the Pre-energy audit have been properly installed.
- 4) Pre 8609 inspection by Division. The inspection will include a review of proposed unit mix and amenities in the application and completeness of construction.
- 5) Comply with Section 42 (Lease up Requirements).
- 6) Letter certifying permanent financing is in place.
- 7) Letter acknowledging project has met ADA design standards.
- 8) The project must be in compliance with the Bond Regulatory Agreement.
- 9) Comply with IRS Section 42 50% test.
- 10) The project must meet Eligible Project Category (Sec.9) requirements as outlined in the QAP.

## CONTACT INFORMATION

### Section 46 Approval and Distribution of QAP

In accordance with the Regulations, hearings are scheduled on this annual plan on:

- |    |                                      |                         |
|----|--------------------------------------|-------------------------|
| A. | August 07, 2003 in Las Vegas, Nevada | Commencing at 9:00 a.m. |
| B. | August 13, 2003 in Reno, Nevada      | Commencing at 9:00 a.m. |
| C. | August 14, 2003 in Elko, Nevada      | Commencing at 9:00 a.m. |

Following these hearings, the second draft of this QAP will be produced and will be distributed.

The Division will hold the final public hearing on Nevada's 2004 QAP in Las Vegas, Nevada. Date and time to be determined.

Las Vegas	The Bradley Building 2501 E. Sahara Avenue Las Vegas, Nevada Telephone (702) 486-2935	Elko	Great Basin College 1500 College Parkway Elko, Nevada Berg Hall Conference Room Telephone (775) 738-8493
	Community Development Building 450 Sinclair Street Reno, Nevada Telephone (775) 334-257		

The Division has made notification of this draft of Nevada's 2004 QAP in accordance with the requirements of NAC 319.971.

### Section 47 Housing Division Offices

Nevada Housing Division  
1771 East Flamingo Road, Suite 206B  
Las Vegas, Nevada 89119

Telephone (702) 486-7220  
Facsimile (702) 486-7226

Contact Person:  
Mark Licea  
Federal Program Supervisor Las Vegas  
Extension 226

Nevada Housing Division  
1802 North Carson Street, Suite 154  
Carson City, Nevada 89701-1229

Telephone (775) 687-4258  
Facsimile (775) 687-4040

Contact Person:  
Art Thurner  
Chief of Federal Programs  
Extension 224

## **ATTACHMENT A CRITICAL HOUSING NEEDS**

This attachment, is to be read in conjunction with Section 3 of the 2004 QAP, provides an overview of the critical housing needs identified within the Consolidated Plans produced by the State as well as various local governments.

Clark County  
(includes the county, LV, NLV, BC, and Mesquite)

Housing Plan Section primary target uses of Low Income Housing Tax Credits (LIHTC)

### **Clark County**

- a. Support construction of Affordable Housing for renters with income levels at 60% or less of AMI.
- b. Promote construction and rehabilitation of SRO by non-profits.
- c. Promote construction and rehabilitation of Permanent Housing for people at 40% or less of AMI especially seniors and disabled LIHTC.
- d. Encourage housing for persons with physical disabilities and Elderly.
- e. Encourage housing for persons with developmental disabilities and HIV/ AIDS.

### **Las Vegas**

1. Construct Affordable Rental Housing.

### **North Las Vegas**

1. Support construction of Senior Affordable Housing for renters at 60% of AMI or less. Special Needs Elderly & physical disabilities LIHTC.
2. Encourage housing for persons with physical disabilities and frail elderly.



**Washoe County** (includes the county, Reno, and Sparks)

Summary of Washoe County Housing and Community Needs

1. Use 70 % of available housing assistance to affordable rental housing.
2. Encourage the State to change LIHTC allocation policies to facilitate development of mixed income projects.
3. Encourage regional efforts to prioritize projects for LIHTC allocation.
4. Work with developers for affordable and market rate projects.
5. Encourage affordable housing for under represented groups in last five years.
6. Encourage services for affordable housing residents.

**State Plan** (overview of state plan)

The State Plan considers LIHTC as a funding source for the following housing needs.

1. Develop housing for Low Income Families and Elderly with incomes at 60% or less of the AMI with a Goal of 100 units per year. New Construction (Western Nevada has greatest need).
2. Special Needs (HIV/AIDS, SMI, Drug and Alcohol Abuse).
3. Housing for Elderly, New Construction. Elderly with incomes at 60% or less of the AMI.

**ATTACHMENT B – NEVADA HPOPULATION ESTIMATES  
NEVADA HOUSING DIVISION  
SELECTED HOUSING MARKET DATA FOR LAS VEGAS AND RENO/SPEAKS  
METROPOLITAN AREAS<sup>15</sup>**

**Reported Vacancies By Unit Type**

<b>Las Vegas Metropolitan Area</b>			
<b>Housing Size</b>	<b>Number of Units In Sample</b>	<b>Vacancies By Unit Type</b>	<b>Vacancy Rate</b>
Single Room Occupancy	1,524	80	5.2%
Studio Apartments	5,256	621	11.8%
1 Bedroom Size	27,863	2,076	7.5%
2 Bedroom Size	41,997	3,161	7.5%
3 Bedroom Size	8,059	740	9.2%
4 Bedroom Size	208	27	13.0%

<b>Reno/Sparks Metropolitan Area</b>			
<b>Housing Size</b>	<b>Number of Units In Sample</b>	<b>Vacancies By Unit Type</b>	<b>Vacancy Rate</b>
Single Room Occupancy	566	18	3.2%
Studio Apartments	1,784	207	11.6%
1 Bedroom Size	6,712	291	4.3%
2 Bedroom Size	9,664	590	6.1%
3 Bedroom Size	1,554	102	6.6%
4 Bedroom Size	127	10	7.9%

<sup>15</sup> Source: Nevada Housing Division. NHD Apartment Facts, Second Quarter 2003. This publication is an annual publication of the Nevada Housing Division available at [www.nvhousing.state.nv.us](http://www.nvhousing.state.nv.us)

## Number of Housing Units and Vacancy Rates By Zip Code

<b>Las Vegas Metropolitan Area</b>		
Zip Code	Total Number of Apartment Units in Zip Code Area	Vacancy Rate By Zip Code for Apartment Complexes Reporting Vacancies
89005	231	5.2%
89012	3,376	7.7%
89014	7,401	7.9%
89015	2,333	6.1%
89030	2,316	9.1%
89031	1,411	4.3%
89032	1,075	16.9%
89036	248	38.3%
89052	2,008	11.9%
89074	1,122	4.8%
89101	6,918	7.5%
89102	8,743	6.8%
89103	10,820	6.3%
89104	5,079	9.2%
89106	2,896	11.7%
89107	2,571	7.0%
89108	7,727	.062
89109	14,503	9.5%
89110	3,254	5.2%
89113	721	5.5%
89115	6,242	9.6%
89117	9,928	4.9%
89118	3,818	5.8%
89119	12,275	7.9%
89120	1,705	8.3%
89121	8,148	9.2%
89122	3,727	7.0%
89123	6,348	5.9%
89128	4,025	6.3%
89129	2,214	9.9%
89130	1,393	1.9%
89131	272	2.9%
89134	288	na
89135	654	1.0%
89141	340	na
89142	1,744	5.1%
89144	722	0.055
89145	904	10.9%
89146	2,958	0.065
89147	3,533	10.1%
89148	1,004	na
89156	1,052	9.4%

## Number of Housing Units and Vacancy Rates By Zip Code

<b>Reno/Sparks Metropolitan Area</b>		
Zip Code	Total Number of Apartment Units in Zip Code Area	Vacancy Rate By Zip Code for Apartment Complexes Reporting Vacancies
89431	3,262	6.7%
89433	397	2.5%
89434	1,798	5.1%
89436	928	11.3%
89501	1,097	7.6%
89502	6,126	5.7%
89503	3,745	7.4%
89504	26	19.4%
89506	998	9.8%
89509	4,208	3.6%
89511	2,464	6.9%
89512	2,535	2.9%
89513	24	16.7%
89523	2,738	6.2%

**ATTACHMENT C – REQUIRED ENERGY AUDIT FORMS**  
**Housing Division Multi-Family Building**  
**Energy Efficiency Requirements**  
**Data Collection**

<b>Developer</b> _____	<b>Phone</b> _____
<b>Contact</b> _____	<b>Title</b> _____
<b>Email</b> _____	<b>Development</b> _____
<b>Property</b>	
<b>Address</b> _____	
<b>City/State /Zip</b> _____	
<b>Building #</b> _____	
<b>Type</b> ( ) From Plans ( ) Existing <b>Building Date</b> _____	
<b>Utilities:</b>	
<b>Gas</b> _____	<b>Electric</b> _____
<b>Other</b> _____	
<b>Utility type of service provided:</b> ( ) Residential ( ) Commercial	

**Please answer all sections that apply.**  
**The data requested is for one entire building in the complex**

<b>Total Building Conditioned* Floor Area</b> _____ sq ft (Common area + all living space)
<b>Volume of Conditioned* Area</b> _____ cu ft ( <b>Total floor area x average ceiling height</b> )
<b>Stories</b> ( ) 1 ( ) Multi <b>Year built</b> ( ) New ( ) _____
<b># of Units in Building</b> _____ <b>Total # of Bedrooms</b> _____
<b>Flat Ceiling Height</b> ( ) 8 Ft ( ) Other _____ ft
<b>Vaulted Ceilings</b> ( ) No ( ) Yes <b>Ceiling height @ median pt</b> _____ ft
<b>Floor Area w/vault</b> _____ sq ft
*Conditioned area is heated and /or cooled space

<b>Foundation Type</b> ( ) Crawl ( ) Slab on grade ( ) Other _____
<b>Total Floor area over crawl or on slab foundation</b> _____ sq ft
<b>Floor Area Over Garage</b> ( ) No ( ) Yes _____ Sq Ft & R Value _____
<b>Floor Area Exposed to Outside*</b> ( ) No ( ) Yes _____ Sq Ft & R Value _____
*Such as cantilevered floor

**Housing Division Multi-Family Building  
Energy Efficiency Requirements  
Data Collection**

**Crawlspace Foundations Only**

If Crawl Space  Operable vents  Unvented  Open

Type:  Concrete  Other \_\_\_\_\_

Total Crawl Height \_\_\_\_\_ ft Height below grade only \_\_\_\_\_ ft

Total Perimeter Length \_\_\_\_\_ ft Exposed Perimeter \_\_\_\_\_ ft

Crawl Wall Insulation  No  Yes R value \_\_\_\_\_  Batt  Foam bd.

Insulation in Floor over crawl  No  Yes R value \_\_\_\_\_

**Slab Foundations Only**

If Slab on Grade  Uninsulated  Insulated Perimeter R \_\_\_\_\_

Total Perimeter Length \_\_\_\_\_ ft Exposed Perimeter \_\_\_\_\_ ft

**Ceiling Type & Insulation**

Roof Type  Tile  Asphalt  Other \_\_\_\_\_ Framing 2x\_\_\_\_; \_\_\_\_ oc

Attic Ceiling Area \_\_\_\_\_ sq ft % of Ceiling Area  100 % \_\_\_\_\_ %

Ceiling Insulation R value  R30  R38  Other \_\_\_\_\_

Describe Type \_\_\_\_\_

Vault Ceilings\* on top floor  No  Yes % of Ceiling Area \_\_\_\_\_ %

Vault Ceiling Area \_\_\_\_\_ sq ft (can be determined by ceiling rise per 1 ft length)

Vault Ceiling Insulation R value  R30  R38  Other \_\_\_\_\_

Describe Type \_\_\_\_\_

Exterior Color  Light  Medium  Dark Radiant Barrier  Yes  No

\* A ceiling with no attic above, otherwise include in "Attic" ceiling section

**Wall Type & Insulation**

Standard Stud Frame  Other \_\_\_\_\_  2x4  2x6  Other \_\_\_\_\_

Total Wall Area between Conditioned & Outside \_\_\_\_\_ sq ft

To determine wall area multiply length of walls x *ceiling height*, don't include band joists, enter them in rim/band joist section.

Wall Insulation R value  R13  R 15  Other \_\_\_\_\_

Describe Type \_\_\_\_\_

Exterior Color  Light  Medium  Dark

Total Wall Area Adjacent to Garage \_\_\_\_\_ sq ft

Wall Insulation R value  R13  R 15  Other \_\_\_\_\_

Describe Type \_\_\_\_\_

Total Wall Area Adjacent to Other Space \_\_\_\_\_ sq ft

Wall Insulation R value  R13  R 15  Other \_\_\_\_\_

**Describe Type** \_\_\_\_\_

**Housing Division Multi-Family Building  
Energy Efficiency Requirements  
Data Collection**

**Rim & Band Joists**

**Rim/Band Joists between Conditioned & Outside:**

**Gross Area\*** \_\_\_\_\_ sq ft **R Value** \_\_\_\_\_ **Insulation type** \_\_\_\_\_

**Rim/Band Joists between Conditioned & Garage or Other Space**

**Gross Area\*** \_\_\_\_\_ sq ft **R Value** \_\_\_\_\_ **Insulation type** \_\_\_\_\_

\* Typical rim & band joists are 12" wide so gross area = linear feet x 1.

**# Opaque Doors Between Conditioned & Outside** \_\_\_\_\_ Do not include sliding glass doors here

**Door Type** ( ) 1 3/4" Insulated Metal ( ) Other \_\_\_\_\_

**Size** ( ) 3' x 7' ( ) Other \_\_\_\_\_

**Mechanical Systems – Living Units**

**Heating Systems Same system in each unit** ( ) Yes ( ) No

If no, please describe each system by copying this page and completing for each different one.

**Type** ( ) Forced Air ( ) Boiler ( ) Other \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Efficiency** ( ) 78% AFUE ( ) Other \_\_\_\_\_ **Size** \_\_\_\_\_ kBtu

**Fuel Type** ( ) Natural gas ( ) Other \_\_\_\_\_ **Location** \_\_\_\_\_

**Set Back Thermostats** ( ) Yes ( ) No **Notes** \_\_\_\_\_

**Cooling Systems Same system in each unit** ( ) Yes ( ) No

If no, please describe each system by copying this page and completing for each different one.

**Type** ( ) Air Conditioner ( ) Heat Pump ( ) Other \_\_\_\_\_

**Fuel** ( ) Electric ( ) Other \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Efficiency** ( ) 10 SEER ( ) Other \_\_\_\_\_ **Size** \_\_\_\_\_ ton

**Ventilation** ( ) Natural, windows ( ) Whole house fan

**Location** \_\_\_\_\_ **Set up Thermostats** ( ) Yes ( ) No

**Notes** \_\_\_\_\_



**Housing Division Multi-Family Building  
Energy Efficiency Requirements  
Data Collection**

**Hot Water Heaters Same system in each unit** ( ) Yes ( ) No

If no, please describe each HW by copying this page and completing for each different one.

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Energy Factor** (if available) \_\_\_\_\_ **Size** \_\_\_\_\_ gal

**Type** ( ) Natural gas ( ) Electric **Location** \_\_\_\_\_

**Mechanical Systems – Common Areas**

**Heating Systems Common Area System** ( ) Yes ( ) No

**Type** ( ) Forced Air ( ) Boiler ( ) Other \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Efficiency** ( ) 78% AFUE ( ) Other \_\_\_\_\_ **Size** \_\_\_\_\_ kBtu

**Fuel Type** ( ) Natural gas ( ) Other \_\_\_\_\_ **Location** \_\_\_\_\_

**Set Back Thermostats** ( ) Yes ( ) No

**Cooling Systems Common Area System** ( ) Yes ( ) No

**Type** ( ) Air Conditioner ( ) Heat Pump ( ) Other \_\_\_\_\_

**Fuel** ( ) Electric ( ) Other \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Efficiency** ( ) 10 SEER ( ) Other \_\_\_\_\_ **Size** \_\_\_\_\_ ton

**Ventilation** ( ) Natural, windows ( ) Whole house fan

**Location** \_\_\_\_\_ **Set up Thermostats** ( ) Yes ( ) No

**Hot Water Heaters Common Area System** ( ) Yes ( ) No

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Energy Factor** (if available) \_\_\_\_\_ **Size** \_\_\_\_\_ gal

**Type** ( ) Natural gas ( ) Electric **Location** \_\_\_\_\_

**Note** \_\_\_\_\_

**Housing Division Multi-Family Building  
Energy Efficiency Requirements  
Data Collection**

**Heating and Cooling System Ducts**

**Supply Ducts Location(s)\*** \_\_\_\_\_

**Length** \_\_\_\_\_ **ft** **Width** \_\_\_\_\_ **ft**

**Type** ( ) Flex duct R4.2 ( ) Other \_\_\_\_\_ ( ) Combination \_\_\_\_\_

**Return Ducts Location(s)\*** \_\_\_\_\_

**Length** \_\_\_\_\_ **ft** **Width** \_\_\_\_\_ **ft**

**Type** ( ) Flex duct R4.2 ( ) Other \_\_\_\_\_ ( ) Combination \_\_\_\_\_

\* If more than 1 location indicate % in each.

**Indoor Air Quality Ventilation**

( ) No Automatic Ventilation\* ( ) Automatic Exhaust ( ) Automatic Supply

\*Check this if occupant must turn ventilation fans on and off

**Appliances**

**Oven/range** ( ) Gas ( ) Electric ( ) In each apt ( ) Other # \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Refrigerator**( ) In each apt ( ) Other # \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Clothes Washer** ( ) In each apt ( ) Other # \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Clothes Dryer** ( ) Gas ( ) Electric ( ) In each apt ( ) Other # \_\_\_\_\_

**Manufacturer** \_\_\_\_\_ **Model #** \_\_\_\_\_

**Windows - Please include sliding glass doors as windows.**

**Type** ( ) Dbl pane, vinyl frame ( ) Low E, Dbl pane, vinyl frame

( ) Other \_\_\_\_\_

**Housing Division Multi-Family Building  
Energy Efficiency Requirements  
Data Collection**

List all windows on each side of house. Please include sliding glass doors.  
Copy this page for additional windows.

Number	Rough Opening Size	Side of House	Shading* Winter	Shading* Summer
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

**Shading: N=None, S=Some, M=Most, C=Compete**

**Please attach a building diagram and number the sides of the house.**

**ATTACHMENT D**  
**SEVEN SAFE HARBORS FOR COMPLIANCE WITH**  
**THE FAIR HOUSING ACT'S DESIGN AND**  
**CONSTRUCTION REQUIREMENTS**

The United States Department of Justice and the Department of Housing and Urban Development ("HUD") currently recognize seven safe harbors for compliance with the Fair Housing Act's design and construction requirements, 42 U.S.C. § 3604 (f) (3) (C). The safe harbors are:

1. HUD's March 6, 1991 Fair Housing Accessibility Guidelines (the Guidelines), and the June 28, 1994 Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers about the Guidelines;
2. HUD's Fair Housing Act Accessibility Design Manual;
3. ANSI A117.1-1986, used in conjunction with the Act and HUD's regulations, and the Guidelines;
4. CABO/ANSI A117.1-1992, used in conjunction with the Act, HUD's regulations, and the Guidelines;
5. ICC/ANSI A117.1-1998, used in conjunction with the Act, HUD's regulations, and the Guidelines;
6. Code Requirements for Housing Accessibility 2000 (CRHA), approved and published by the International Code Council (ICC), October 2000;
7. International Building Code 2000 (IBC) as amended by the IBC 2001 Supplement to the International Codes.

It is important to note that the ANSI A117.1 standard contains only technical criteria, whereas the Fair Housing Act, the regulations and the Guidelines contain both scoping and technical criteria. Therefore, in using any of the ANSI standards it is necessary to also consult the Act, HUD's regulations, and the Guidelines for the scoping requirements.

Failure to comply with all of the accessible and adaptive design and construction requirements of the Fair Housing Act may result in loss of tax credits pursuant to 26 C.F.R. § 1.42-9. Therefore, you should consult an attorney and/or design professional to ensure that the construction of the multi-family development complies with the accessible and adaptive design and construction requirements of the Fair Housing Act.

## FAIR HOUSING ACT ACCESSIBILITY CHECKLIST

This checklist represents many, but not all, of the accessible and adaptive design and construction requirements of the Fair Housing Act. This checklist is not a safe harbor for compliance with the Fair Housing Act. HUD and the Department of Justice recognize the following standards as safe harbors when used in conjunction with the Fair Housing Act, regulations, and Fair Housing Act Accessibility Guidelines (i.e. scoping requirements):

1. HUD's March 6, 1991 Fair Housing Accessibility Guidelines (the Guidelines), and the June 29, 1994 Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers about the Guidelines;
2. HUD's Fair Housing Act Accessibility Design Manual;
3. ANSI A117.1-1986, used in conjunction with the Act and HUD's regulations, and the Guidelines;
4. CABO/ANSI A117.1-1992, used in conjunction with the Act, HUD's regulations, and the Guidelines;
5. ICC/ANSI A.117.1-1998, used in conjunction with the Act, HUD's regulations, and the Guidelines;
6. Code Requirements for Housing Accessibility 2000 (CRHA), approved and published by the International Code Council (ICC), October 2000;
7. International Building Code 2000 (IBC) as amended by the IBC 2001 Supplement to the International Codes.

Failure to comply with all of the accessible and adaptive design and construction requirements of the Fair Housing Act may result in loss of tax credits pursuant to 26 C.F.R. § 1.42-9. Therefore, you should consult an attorney and/or design professional to ensure that the construction of the multi-family development complies with the accessible and adaptive design and construction requirements of the Fair Housing Act.

### COVERED BUILDINGS

#### IS THE DEVELOPMENT SUBJECT TO THE ACT?

- ? Development has buildings containing 4 or more units and was designed and constructed for first occupancy on or after March 13, 1991
- ? Building contains elevator so all units in building are "covered units"
- ? All units in buildings with elevators are designed and constructed with features required by the Act.

- ? Building does not contain elevator so only ground-floor units in building are "covered units".
- ? All ground-floor units in buildings without elevators are designed and constructed with features required by the Act.
- ? Development contains "covered units," so the public and common use facilities must be designed and constructed with features required by the Act.
- ? NOTE: Fair Housing Act Accessibility Guidelines contains a narrow "Site Impracticality Exception" which provides that a non-elevator building does not have to meet all of the Act's requirements if it is impractical to have an accessible entrance to the building because of the natural hilly terrain or other unusual characteristics of the site.

## **SEVEN DESIGN REQUIREMENTS**

### **1. ACCESSIBLE BUILDING ENTRANCE ON AN ACCESSIBLE ROUTE**

- ? The accessible route is a continuous, unobstructed path (no stairs) through the development that connects all buildings containing covered units and all public and common use facilities
- ? The accessible route also connects to parking lots and to at least one public street, public sidewalk and to a public transportation stop, when provided
- ? All slopes on the accessible route are no steeper than 8.33%
- ? All slopes on the accessible route between 5% and 8.33% have handrails
- ? Covered units have at least one entrance on an accessible route
- ? There are a sufficient number of curb ramp cuts for a person using a wheelchair to reach every building in the development
- ? Curb ramp cuts meet slope and cross slope specifications

### **2. ACCESSIBLE COMMON AND PUBLIC USE AREAS**

- ? At least 2 percent of all parking spaces serving covered units are designated as accessible handicapped parking spaces
- ? At least one parking space of each common and public use amenity is designated as handicapped accessible parking spaces

- ? All handicapped accessible parking spaces have adequate signage
- ? All handicapped accessible parking spaces are at least 96" wide with a 60" wide access aisle which can be shared between two spaces
- ? The accessible aisle is part of connects to a curb ramp and the accessible route
- ? The rental or sales office is readily accessible and usable by persons with disabilities as required by both the Fair Housing Act and the Americans with Disabilities Act
- ? A sufficient number of all mailboxes, swimming pools, tennis courts, clubhouses, rest rooms, showers, laundry facilities, trash facilities, drinking fountains, public telephones, and other common and public use amenities offered by the development are readily accessible and usable by persons with disabilities

### 3. USABLE DOORS

- ? All doors into and through covered units and common use facilities provide a clear opening of at least 32" nominal width
- ? All doors leading into common use facilities have lever door handles operating hardware that does not require grasping and twisting
- ? Thresholds at doors to common use facilities are no greater than 1/2"
- ? All primary entrance doors to covered units have lever door handles operating hardware that does not require grasping and twisting
- ? Thresholds at exterior primary entrance doors to covered units are no greater than 3/4" and beveled

### 4. ACCESSIBLE ROUTE INTO AND THROUGH THE COVERED UNIT

- ? All routes through all rooms in the covered units are no less than 36" wide

### 5. ACCESSIBLE ENVIRONMENTAL CONTROLS

- ? All light switches, electrical outlets, thermostats, and other environmental controls are no less than 15" and no greater than 54" from the floor





## 6. REINFORCED BATHROOM WALLS FOR GRAB BARS

- ? Reinforcements are built into the bathroom walls surrounding toilets, showers, and bathtubs for the later installation of grab bars

## 7. USABLE KITCHENS & BATHROOMS

### USABLE KITCHENS

- ? 30 x 48" clear floor space outside the swing of the door
- ? 40" of clear floor space between opposing elements (i.e. cabinets, appliances, etc.)
- ? U-shaped kitchens with sink or cook top at end have 60" diameter turning space or have sink or cook top base with removable cabinets

### USABLE BATHROOMS

#### Type A Bathroom

- ? 30 x 48" clear floor space outside the swing of the door
- ? 30 x 48" clear floor space at lavatory (if centered for parallel approach cabinet may be fixed)
- ? Toilet next to the tub allowing a perpendicular approach
- ? Centerline of toilet is 18" from bathtub and 15" from lavatory

#### Type B Bathroom

- ? 30 x 48" of clear floor space outside swing of door
- ? 30 x 48" of clear floor space centered in front of sink
- ? 30 x 48" of clear floor space adjacent to the bathtub
- ? If at least one Type B bathroom is included, the other bathroom(s) is exempt from only the maneuvering space requirements

**ATTACHMENT E  
2004 TAX CREDIT SCORING SHEET**

**Maximum Score Chart**

QAP Reference	Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
Maximum Score (Nevada Based Developer)	92	92	97	103	88	92	92
Maximum Score (Out-Of-State Developer)	87	87	92	98	83	87	87
<i>Frail Elderly Alzheimer</i>			93				
			93				

**Project Type Scoring**

QAP Reference	Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
	Maximum Score	10	10	15	25	10	10
PROJECT SCORING/ PROJECT TYPE	25						

## Standard Scoring Factors

QAP Reference		Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Maximum Score	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
<b>STANDARD SCORING FACTORS</b>								
<b>Section 13</b>	<b>Project Location</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
	Projects located in a Qualified Census Tract	Maximum Score if <u>any</u> factor satisfied						
	Projects located in non-CDBG eligible census tract							
	Projects in Redevelopment Project Area							
	Local Jurisdiction Priority Area							
	Acquisition/Rehab project in revitalization plan							
	NV At-Risk Properties listed by Nat'l Trust							
<b>Section 14</b>	<b>Project Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
	Swimming or lap pool	3				N/A		
	Kiddy pool	3	N/A	N/A	N/A		N/A	N/A
	Inground spa	2						
	Equipped weight/exercise room	2				N/A		
	Equipped picnic area	3						
	Covered parking for each unit	2				N/A		
	Exterior storage for each unit	2						
	Patio or balcony for each unit	2						
	Ceiling fans for each unit	1						
	Air conditioner or swamp cooler for each unit	2						
	Exterior lighting for each unit	2						
	Elevator	3	NA					
	Computer/study room with full Internet access	2						

### Standard Scoring Factors (Continued)

QAP Reference		Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Maximum Score	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
	<b>STANDARD SCORING FACTORS</b>							
<b>Section 15</b>	<b>Project Readiness</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
	Ownership of the land	2						
	Proper zoning of the site	1						
	Soil testing completed	1						
	Phase I environmental study completed	1						
	Partnership documents filed	1						
<b>Section 16</b>	<b>Nevada Based Applicant</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
	NV corp., partnership, limited-liability company	Maximum Score if <u>all</u> factors satisfied						
	Maintain an office in Nevada							
	Maintain an office sufficiently staffed							
<b>Section 17</b>	<b>Out-Of-State Applicants</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
	Previously developed projects in Nevada	Maximum Score if <u>all</u> factors satisfied						
	In good standing with Division							
	Compliance rating >= 75%.							
	One point per each Nevada project							
<b>Section 18</b>	<b>Extended Compliance</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
	One point per 5 years of extended affordability	1 per 5 years						
<b>Section 19</b>	<b>Landscape Water Efficiency</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
	75 percent desert/zero landscaped	5						

## Special Scoring Factors

QAP Reference		Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Maximum Score	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
<b>SPECIAL AREAS OF CONSIDERATION</b>								
<b>Section 28</b>	<b>Low Rent Targeting</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
	= .30 (100% @ 30% Rents)	10						
	> .30 and < .35	8						
	> .35 and < .40	6						
	> .40 and < .45	4						
	> .45 and < .50	2						
	> .50 and < .60	1						
<b>Section 29</b>	<b>Lower Income Targeting</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
	= .30 (100% @ 30% AMI)	10						
	> .30 and < .35	8						
	> .35 and < .40	6						
	> .40 and < .45	4						
	> .45 and < .50	2						
	> .50 and < .60	1						
<b>Section 30</b>	<b>Supportive Services</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
	Childcare services	2						
	Health care services	2						
	Job-training programs	2						
	Prepared meal on a daily basis	2						
	Transportation	2						
	Computer literacy training	1						
	Personal finance training:	1						

**Special Scoring Factors (Continued)**

QAP Reference		Section 21	Section 22	Section 23	Section 24	Section 25	Section 26	Section 27
Project Type	Maximum Score	Indiv/ Family w/ Children	Senior Housing	Special Needs	Assisted Living	Eventual Tenant Ownership	Acquisition Rehab/	Mixed Income
Section 31	<b>Lower Developer Fee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
	Less than 11% of Eligible Basis	5						
	11.0% to 11.99% of Eligible Basis	4						
	12.0% to 12.99% of Eligible Basis	3						
	13.0% to 13.99% of Eligible Basis	2						
	14.0% to 14.99% of Eligible Basis	1						
Section 32	<b>Lower Contractor Fee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
	Less than 10% of Eligible Basis	5						
	10.0% to 10.99% of Eligible Basis	4						
	11.0% to 11.99% of Eligible Basis	3						
	12.0% to 12.99% of Eligible Basis	2						
	13.0% to 13.99% of Eligible Basis	1						