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Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
HOUSING DIVISION
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Carson City, Nevada 89706

C.J. MANTHE
Director

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Administrator

September 7, 2018

**PROGRAM NOTICE REGARDING 2018 QUALIFIED ALLOCATION PLAN
SECOND ROUND AMENDMENTS**

The following amendments are being made pursuant to Section 30, Modifications to QAP After Adoption/Waivers, of the 2018 QAP Second Round adopted on July 16, 2018.

1. Section 5.1 Table 2 Nevada 2018 Credit Authority and Allocation Plan:

Remove and replace existing table with the following

	2018	
2018 TC Allocating Authority	Pop. Figure	Tax Credit Levels
Unreserved 2018 credits		\$2,740,601
Other returned credits		\$752,650
Total 2018 2nd Round		\$3,493,251
IRS Required Set-Aside		
Non-profit	10%	\$349,326
Balance		\$3,143,926
Opportunity Zones		\$2,000,000
Balance		\$1,143,925
General Pool		\$1,143,925

2. Section 7.1 Description of the Waterfall:

Add “Non-Profit - All non-profit applications will be scored in the non-profit set-aside to determine which project receives the required non-profit set-aside. Once determined, any remaining credits in that fund will go directly to the general pool.”

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3. Section 8.1 Set-Aside Allocations:

Add:

8.1.1 § 42 Non-Profit Set-Aside (IRS category, § 42(h)(5)(A))

The Division will set-aside \$349,326 for Non-Profit Applicant organizations. This set-aside is not subject to the 5% rule.

Credits from the Non-Profit set-aside will be allocated in accordance with the process described in this section and shown in part in Section 5, Apportionment Accounts and Initial Balances. Tax Credits from the Non-Profit set-aside will be allocated until the amount of Tax Credits in the set-aside is fully allocated.

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 Co-Applicant. The goal and mission of the Applicant/Co-Applicant non-profit organization must be developing and providing affordable housing.

The non-profit Applicant/Co-Applicant must have successfully developed and operated affordable housing which offers restricted/subsidized rents to income eligible tenants, utilizing HUD/LIHTC/PHA and/or other public funding sources. The non-profit organization Applicant/Co-Applicant must have actively participated in the development and operation of the affordable housing projects either as the manager or general partner of the Project Sponsor, the contractor, or Project Sponsor. Applicant, if awarded tax credits under this set-aside, will be required to continually provide documentation of “material participation”...i.e., regular, continuous, and substantial involvement with the project (IRS Form 8823, Specific Instructions, Item 11q; see, also, IRC §469(h)).

The non-profit Applicant/Co-Applicant must have received and provided a copy of a determination letter from the IRS indicating that the organization is qualified pursuant to IRC Section 501(c)(3) or 501(c)(4) before submitting an application and the application package must contain an executed Certification of Material Participation by the Qualified Non-Profit Organization, Exhibit Seven of the Division’s Application for Tax Credit (that is posted on the Division website).

The Applicant/Co-Applicants must also certify that no change has occurred in the organization since the issuance of the IRS determination letter that would affect the validity of the determination letter. If the Applicant/Co-Applicants receive a Carryover Allocation of Tax Credits from the non-profit set-aside pursuant to the Nevada 2018 Second Round Credit Authority and Allocation Plan, any new Project Sponsor during the compliance period must establish that the new Project Sponsor meets all of the requirements to qualify for a Carryover Allocation of Tax Credits or the Final Allocation of Tax Credits from the non-profit set-aside under the provision of this QAP.

Tax Credits in this set-aside will be awarded to the highest scoring non-profit project. If additional Tax Credits are needed to fully fund the highest scoring proposal, additional Tax Credits will be distributed to the proposal from the General Pool.

If, after the highest scoring non-profit project has received an allocation of Tax Credits, there are remaining Tax Credits in this set-aside, the remaining non-profit applications in score rank order will be awarded an allocation of Tax Credits following the same process above until there are no credits available in the non-profit set-aside pool.

If there are no other non-profit applications, then the remaining balance in this set-aside will be carried over into subsequent rounds as a minimum Tax Credit to be set-aside exclusively for non-profit applications subject to the requirements of this section

Delete “8.1.1 Opportunity Zone Set-Aside”; Insert “8.1.2 Opportunity Zone Set-Aside”

4. Appendix C Opportunity Zone Investment Set-Aside Criteria Scoring Table:

Delete:

Out of State	Yes	Section 14.3.5	5
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Revise NV Based to read:

NV Based	Yes	Section 14.3.4	5
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Max Possible Pts

Delete “132” and replace with “122”

If you have any questions or comments regarding this matter, please contact me.

NEVADA HOUSING DIVISION

Jacob LaRow
Deputy Administrator