DRAFT

2004 QAP

NOTES ::

? DRAFT 2004 QAP IS FOR DISCUSSION PURPOSES ONLY.

? THE DRAFT WILL BE USED TO FACILITATE THE PUBLIC COMMENTING PROCESS FOR PREPARING THE NEVADA HOUSING DIVISIONS 2004 QAP.

? THE DRAFT IS BASED ON THE 2003 QAP.

? SUBSTANTIVE EDITS TO 2003 QAP ARE COMMENTS ARE HIGHLIGHTED BY *ITALICS/UNDERLINING.*

? SOME SECTIONS FROM 2003 QAP WERE REORDERED TO AID IN PRESENTATION OF INFORMATION. TEXT REMAINED THE SAME UNLESS OTHERWISE INDICATED.

? DATE MODIFICATIONS MADE TO FIT 2004 TAX CREDIT PROCESS.

DISCUSSION DRAFT ONLY (July 2004)

THE STATE OF NEVADA
2004 QUALIFIED ALLOCATION PLAN
for
LOW-INCOME HOUSING TAX CREDITS

APPENDICES

2004 ANNUAL ALLOCATION PLAN
for
LOW-INCOME HOUSING TAX CREDITS

GENERAL INFORMATION

Section 1 Annual Plan Information

Nevada's 2004 Qualified Allocation Plan (QAP) will be adopted pursuant to regulations of the Nevada Housing Division (Division) regarding Low-Income Housing Tax Credits (Tax Credits) and, when read together, 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.

Provisions in this annual plan are for the plan year 2004 that begins on January 1, 2004, and terminates on December 31, 2004. All reservations of Tax Credits made during the plan year will be subject to this annual plan.

The Division will continually update our web page with information regarding the QAP as soon as possible and appropriate. The address http://www.nvhousing.state.nv.us/.

Section 2 Deadlines and Dates

A. Training Dates/Reservations for Sessions

The training date in Carson City will be on November 20, 2003 at 9:00 a.m. at the Division's Office located at 1802 North Carson Street, Suite 154, Carson City, NV. Persons desiring to attend should notify the Division by November 17, 2003 so that space and materials may be assured.

The training date in Las Vegas will be on November 20, 2003 at 9:00 a.m. in the second floor conference room at 1771 E. Flamingo Rd., Suite 206-B. 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.

B. Costs

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.)***

C. Application Deadlines

Pursuant to Nevada Administrative Code (NAC) 319.974, applications 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 09, 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.

D. Request for Additional Tax Credits

Projects receiving Tax Credits is previous allocation rounds may request additional Tax Credits due to increased construction costs. To request additional Tax Credits, submit an updated application and formal 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 the increase of eligible basis
2) excluding Developer and Contractor Fees;
3) Requests for additional Tax Credits will be ranked using the current year QAP.
4) The amount of additional Tax Credits that may be requested is limited to 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.

E. 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, 2005.* 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 October 31, 2005.

F. Market Area Saturation *[NEW LANGUAGE ADDED TO CLARIFY INTENT.]*
Fluctuating economic conditions in Nevada's rural and pioneer communities can greatly influence local housing markets and, during economic downturns, pose challenges to the long-term sustainability of affordable housing projects. Accordingly, a broader view of market conditions is often needs to balance housing investments.

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 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 75 percent; or the proposed housing develop would have a significant adverse financial effect 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's Demographer's estimate of record as of the date of application.

Section 3 Findings of the Division; Identification of Housing Needs ***[NOTE THAT NEEDS IDENTIFIED ARE IDENTIAL TO 2003 QAP]***

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 review specifically considered factors including high concentrations of low-income persons, vacancy rates, and the conditions of existing housing units.

The Division 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 B.

A. 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.

B. A significant number of Nevada households live below the poverty level. Of those households, the number of persons 65 and older, families, including families with children and female heads of households, are significant.

C. 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.

D. 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.

E. The vacancy rate among three-bedroom units is somewhat lower than the vacancy rate of one- and two-bedroom units.

F. 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.

G. Rental housing needs related to overcrowding, lack of essential facilities, and disproportionate cost exist across the state.

H. A significant number of housing units within the state suffer from obsolescence and deteriorated housing conditions.

I. Other special housing needs as defined in the BBC study of 2002.

In consideration of the housing needs identified by the various CPs, the Division has established certain selection criteria and a schedule of preference points to determine which projects will receive priority in receiving the Tax Credits under provisions of this QAP.

APPORTIONMENT OF TAX CREDITS

Section 4 Apportionment Accounts and Initial Balances[1] ***[NOTE: UPDATE OF POPULATION DATA AND ALLOCATION FIGURES WILL BE INCLUDED IN FINAL]***

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 TAX CREDIT CEILING -		**$3,900,000.**	**(Estimated)**
CARRYOVER AND OTHER CREDITS -		**- 0 -**	**(Estimated)**
TOTAL AVAILALE FOR 2004 ALLOCATION -		**$3,900,000.00**	
TOTAL SET-ASIDES		**$585,000.00**	
NON-PROFIT SET-ASIDE -	$390,000.00	(10% of the State's ceiling)	
USDA-RD SET-ASIDE -	$195,000.00	(5% of the State's ceiling)	
TOTAL GEOGRAPHIC APPORTIONMENT -		**$3,280,000.00**	
Clark County	$2,320,500.00 (70%		
Washoe County	$ 530,400.00 (16%		
Other Counties	$ 464,100.00 (13%		

See NAC 319.972

[1] Nevada State Demographer Web Site: NSBDC.org. State Population: 2,206,022; Clark County: 1,549,657; Washoe County: 359,423

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/Rehab 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. Rehab projects will require a letter from USDA as to why the rehab 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 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 will be July 1 of the preceding year of the date year of the plan. See NAC 319.972 (4)

ELIGIBLE PROJECTS

Section 8. Project Categories

The 2004 QAP will be limited to the eight project categories listed below (A through H). Only one project category can be selected for each application.

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

1. To be considered for this category, at least 75% 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 25% 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.

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

1. To be considered for this category, all of the units in the project will 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. Conversely, no more than 20% of the units may be rented to households other than those age 55 years or older (62 years and older for USDA/RD projects).

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

Preference Points for Project Amenities listed under Section 12 C of the 2004 QAP cannot be claimed in this category.

C. Special Needs Housing - (New Construction):

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

1. Persons with mental illness as defined by the National Institute of Mental Health.

2. Persons with physical disabilities.

3. Persons with development disabilities.

4. Persons with HIV/AIDS (as diagnosed by a board certified physician).

5. 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.

6. Transitional housing as defined in IRC Section 42 (i)(3)(B)(iii).

7. Permanent supportive housing for persons and families who are homeless.

8. Victims of domestic violence.

? The Special Needs Populations identified in 1-8 above is 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 1-8 above must be provided for either a minimum of the full 30-year affordability term required by the 2004 QAP or beyond if the project owner elects to extend the compliance period pursuant to Section 9(A) of the 2004 QAP.

? Units in projects intended to serve the Special Needs Populations identified in 1-8 above with physical disabilities must meet the project threshold and amenities requirements specified in Section 9 (Project Threshold Requirements).

Other Designated Special Needs Categories for 2004 QAP.

9. Frail Elderly requiring assisted housing with 24-hour care as licensed by the State of Nevada Division of Health;

10. Persons with Alzheimer's/Dementia;

? All of the units in projects intended to serve the Special Needs Populations identified in 9-10 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 9-10 above must be provided for the initial 15-year, IRS mandated period of affordability. The Division intends to extend the provision of service for at least an additional 15 years. 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 to 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 9-10 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 intended to serve the Special Needs Populations identified in 9-10 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 9-10 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. Again, as specified above

? For projects intended to serve the Special Needs Populations identified in 9-10 above, only 20/50 and 40/60 mixed-income projects will be considered. The project will not be eligible for any extended compliance points.

11. Transitional housing for persons paroled by the Nevada State Department of Corrections.
[NOTE: Previously included as a separate category of eligible projects in 2003 QAP.]

12. Assisted Living Developments.
[NOTE: Previously included as a separate category of eligible projects in 2003 QAP.]
Assisted living developments that have one or more of the following direct commitments by public and/or private entities:

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

D. 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.

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

2. 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 will be parceled out and will 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 will not be eligible for any extended compliance points.

3. 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.

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

Preference Points for project amenities listed under Sections 12 A, C, D and G of the 2004 QAP cannot be claimed in this category.

E. 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.

F. Acquisition/Rehab/Conversion[2]/Change of Use[3]:

Applications for Acquisition/Rehab may be intended for any tenant base specified in Section 9 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:

1. 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.

2. Projects applying for Tax Credits in this category must have a per-unit rehabilitation investment of at least *$10,000.00* in actual construction costs (not eligible basis); and the amount must be specified in the CNA and statement from Page 7. The acquisition price that will be allowed in eligible basis will be the as-is-appraised value as of the date of acquisition. A copy of the appraisal must be submitted with the application.

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

4. 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. 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.

5. *All Acquisition Rehab/Conversion/Change of Use must comply with the energy efficiency standards outlined in Section 9 (H) of the QAP. [NOTE: previous language limited efforts to two exterior energy efficiency standards and two interior energy efficiency standards.]*

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[2] Conversion Projects - structures converted from an unrelated use to housing (i.e. converting an old schoolhouse into affordable housing).

[3] 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).

PROJECT REQUIRMENTS

Section 9 Project "Threshold" Requirements

The following reflect minimum threshold requirements:

A. COMPLIANCE PERIOD.
A 30-year compliance period for all projects is required. The project owner has the option of extending this period in increments of *5 years*, for a total of 50 years.

Projects intended for eventual tenant ownership and for frail elderly, assisted housing and housing for seniors with Alzheimer's disease are exempt from this threshold requirement as the compliance period may be the minimum of 15 years. (See Sections 9C and 9D).

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

B. 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.

C. PROJRCT 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 STANDATRD.
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.

D. RESERVES FOR REPLACEMENT.
The project must maintain minimum annual replacement reserves as follows:

1) For new construction senior projects, $200.00 per unit.
2) For all other projects, $250.00 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.

E. 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.

Minimum Qualifications. The party completing the market study must have the following qualifications:

1) Minimum of five years of experience, with a strong background assessing affordable housing markets,
2) Multi-state experience,
3) Bachelor's degree in real estate development/ finance, planning, marketing, accounting, statistics or a related field and,
4) Certification from a nationally recognized housing or real estate market research association.

Required Elements of Market Study: The market study must include the following elements:

1) A statement of the competence of the market analyst;

2) A description of the proposed site and market area including maps. *Minimally, the market study area should include an area within a 5-mile radius of the project site unless otherwise supported otherwise supported by the market study*.

3) A demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent;

4) A geographic definition and analysis of the market area;

5) An analysis of household sizes and types in the market area;

6) A description of comparable developments in the market area;

7) A description of rent levels and vacancy rates of comparable properties inclusive of similar market-rate and affordable properties;

8) An analysis of available operating expenses and turnover rates of comparable properties in the market area;

9) The projected operating funds and expenses, when available;

10) The expected market absorption of the proposed rental housing, including a description of the effect on the market area;

11) An analysis of the potential effect upon the project from the business closure of a major area employer; and

12) A certification that the market analyst would not financially benefit if the project receives a reservation or award of Tax Credits.

The Division acknowledges that obtaining operating expenses and turnover rates on comparable properties may be difficult, therefore, their absence from the market study will not cause the market study to be rejected.

F. SPECIAL REQUIREMENTS FOR ACQUISITION REHABILITATION PROJECTS.

A Capital Needs Assessment (CNA) is required for all acquisition/rehabilitation or conversions projects to whether the project will maintain its affordability for 30 years or more. The CNA must be prepared by a competent, independent third party.

Rehabilitation developments must establish that the rehabilitation will be substantial and will involve at least *$10,000.00* per unit in direct hard costs (actual construction costs). If the CNA reflects a per-unit investment of less than *$10,000.00* per unit, the project will not be considered for Tax Credits.

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.

To minimize displacement of existing tenants, the developer may choose to income-qualify all tenants for Tax Credits eligibility immediately upon acquisition of the buildings in the project.

Acquisition Rehab projects are required to provide detailed ownership of buyer and seller.

The project owner 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.

G. EXECUTION OF AGREEMENT.

Execution of an agreement to promote the Division's participation in the project during the construction phase. (See Exhibit 4 of the application).

[NOTES:
(1) NOT SURE IF G THIS IS A THRESHOLD REQUIREMENT.
(2) DOES PROJECT OWNERSHIP ISSUES ALSO APPLY TO NEW CONSTRUCTION]

H.   ENERGY STANDARDS.

Required Energy Efficient Standards for all New Construction *and Acquisition Rehabilitation Projects*:

1) All units will have appliances that are EnergyStar (r) rated (refrigerator, dishwasher, clothes washer, room air conditioners);

2) All units will have programmable, dual setback thermostats with instructions;

3) All laundry facilities will have appliances that are EnergyStar (r) rated;

4) Ceiling insulation R-Values: not less than:
   - Northern Nevada, Lake Tahoe, Rural Nevada - R38
   - Southern Nevada - R30;

5) Wall insulation R-Values: not less than:
   - Northern Nevada, Rural Nevada - R19
   - Lake Tahoe - R21
   - Southern Nevada - R11;

6) All units will have heating systems that exceed 90% AFUE rating;

7) All units will have water-heating devices that are:

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;

8) All units will have dual-paned spectrally specific low-e windows;

9) Roofing will have minimum 40-year composition roofs, standard concrete or tile, .30 sheet metal; and

10) All sun struck exposure windows in Clark County (Southern Nevada) are required to have solar screens if not replaced by (8.) Low E Windows (Rehab projects only). 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.

11) SEER ratings for northern projects, 10; for southern projects, 12.

12) The Nevada Housing Division will conduct energy tests and inspections on all projects receiving Tax Credits.

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.

I. HOUSING DEVELOPMENT EXPERIENCE.

The project owner must demonstrate experience and proficiency in developing low-income housing. 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. An addendum to the application is required, providing a brief 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. A copy of the recorded Declaration of Restricted Covenants also is required.

The project owner must identify the individual or employee for which experience is being claimed and their involvement in the project. 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 and/or in compliance. If the project owner or developer is a Nevada based developer the declarations and the declaration of restrictive covenants are filed and are on record with the Division simply state the name of the completed project. (See NAC 319.989(16))

J. 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 specified in the application package must demonstrate the minimum of three years of experience and identify the service provided.

K. PROJECT IMPLEMENTTION.

Projects must be closed and ready to proceed within 270 days from the date of the reservation letter. Projects not meeting this deadline must contact the Division in writing prior to the expiration of the 270 days to request a 45-day extension. The 45-day extension only 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. 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.

L. ADA COMPLIANCE.

The architect and the developer must acknowledge that the project's architectural plans/drawings meet all federal guidelines and The Federal Fair Housing Act regarding design standards for handicapped accessibility. This includes the standards specified within the Americans with Disabilities Act (ADA) and Section 504 where applicable. The project must conform to the Seven Safe Harbors listed in Attachment B. *[CONSIDER REQUIREMENT THAT PROJECT DESIGN BE CERTIFICATION OF ADA COMPLIANCE BY COMMUNITY FAIR HOUSING ENTITY.]*

Section 10 Required Project Amenities

A. Project Amenities for Elderly Housing - New Construction/Rehab (40 or More Units): *[CONSIDER ADDING PROVISION FOR SUPPORTIVE SERVICES ARRANGEMENTS FOR PROJECTS AT THIS SCALE TO PROMOTE AGING IN PLACE POLICY OBJECTIVES.]*

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 is EnergyStar (r) rated, resilient and/or ceramic tile floor.

2. Security system for each unit and/or project. Security systems may include gated communities, project wide or individual unit surveillance or security systems.

3. Washer and dryer hookup in each unit or laundry facility with EnergyStar (r) rated (clothes washer) and dryer. One washer and one dryer for every 10 units.

4. Fire detection and suppression sprinkler system in each unit.

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.

B. Project Amenities for Elderly Housing - (New Construction Less Than 40 Units and Single Story):

1. Security system for each unit and/or project. Security systems may include gated communities, project wide or individual unit surveillance or security systems.

2. Laundry facility on site - one washer and one dryer that are EnergyStar (r) rated for every 10 units of housing.

3. Hand rails and related hardware that assists tenants and is Fair Housing and ADA compliant (hand rails, grab bars, and lever handled hardware for doors).

4. Fire detection system in each unit.

C. <u>Project Amenities for Family Projects</u> - (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 (r) 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 is EnergyStar (r) rated, resilient and/or ceramic tile floor;

2. Security system for each unit and/or project;

3. Washer and dryer hookup in each unit;

4. 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 1000 sq. ft..

D. <u>Required Project Amenities for Family Projects</u> - (New Construction Less Than 40 Units):

1. Security system for each unit and/or project;

2. Laundry facility on site - one washer and one dryer that are EnergyStar (r) 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..

E. <u>Required Project Amenities for Tenant Ownership Housing</u> - (Single Family Homes Only, New Construction or Rehab):

1. Minimum of two-bedroom units and 1200 sq. ft. of residential area, excluding garages, outdoor patios, etc. (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. One car attached garage.

F. Required Project Amenities for Acquisition/Rehab/Conversion/Change of Use - (40 or More Units):

1. Community areas minimum of 500 sq. ft. to combine 32-inch color TV, entertainment 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 is EnergyStar (r) rated, resilient and/or ceramic tile floor;

2. Security system for each unit and/or project;

3. Laundry facility on site in a common area - one washer and one dryer that are EnergyStar (r) rated for every 10 units of housing.

G. Project Amenities for All Other Housing - (New Construction 40 or More Units):

1. Community areas minimum of 500 sq. ft. to combine 32-inch color TV, entertainment 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 is EnergyStar (r) rated , resilient and/or ceramic tile floor;

2. Security system for each unit and/or project; and

3. Laundry facility on site - one washer and one dryer that are EnergyStar (r) rated for every 10 units of housing.

H. Required Project Amenities for All Other Housing - (New Construction and Rehab Less Than 40 Units):

1. Security system for each unit and/or project; and

2. Laundry facility on site - one washer and one dryer that are EnergyStar (r) rated for every 10 units of housing.

PROJECT SCORING

Section 11 Preference Points Categories

Each application may be eligible to receive preference points in the following sections of the 2004 QAP:

A. Sections 12-18. Standard Scoring Factors. Maximum section score is 41 points. *[NEW TABLE FORMAT USED IN SECTION. Maximum points available in section = 41)*]

B. Sections 19-26 Project Type. Maximum section score is 25 points.

C. Sections 27-31, Special Areas of Consideration. Maximum section score is 36 points. *[NEW SCORING APPROACH RECOMMENDED FOR THIS SECTION. Maximum points available in section = 36)]*

Standard Scoring Factors

Section 12 Preference Points for Project Location (One Category Only)

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

RATING FACTOR	PTS
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) Acquisition/Rehab in an area utilizing the rehabilitation of existing housing as part of a revitalization plan/strategy.	
e) Nevada at Risk Properties as listed in the National Housing Trust Publication.	
MAXIMUM LOCATION PREFERENCE POINTS:	2

Projects claiming preference points under A-D 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 13 Preference Points for Project Amenities

RATING FACTOR	PTS
Exercise or Recreational Amenities	
a) Swimming or lap pool (excluding tenant ownership projects)	3
b) Kiddie 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. For tenant ownership projects, one charcoal unit, a 6' picnic table with benches on 64 sq. ft. concrete slab (or in patio area, if present) for each unit.	2
Individual Tennant and Unit Amenities	
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. For tenant ownership projects, an attached two-car garage	2
h) Patio or balcony for each unit - minimum of 48 sq. ft. For tenant ownership projects, a covered, wood-framed and roofed rear patio area of no less than 64 sq. ft. with concrete slab	2
i) EnergyStar (washer and dryer provided and installed in every residential unit	3
j) Ceiling fans for each unit - one in the living area and one in the master bedroom	1
k) 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
Project Amenities	
l) Exterior lighting for each unit must be compact fluorescent/dusk dawn fixtures and illuminated walking path	2
m) Elevator (excluding elderly projects/tenant ownership projects) over 40 units	3
n) 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). For tenant ownership projects, one computer as per the above with Internet access on a workstation set up in the common area of home	2
MAXIMUM PROJECT AMENITIES PREFERENCE POINTS:	15

Section 14 Preference Points for 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:

RATING FACTOR	PTS
a) Ownership of the land	1
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
MAXIMUM PROJECT READINESS PREFERENCE POINTS	5

Section 15 Preference Points for 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:

RATING FACTOR	PTS
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.	
MAXIMUM NEVADA BASED APPLICANT PREFERENCE POINTS	10

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 16 Preference Points for Nevada Based Projects by Out of State Based Applicants

Preference points will be awarded to out of state applicants if the following applies:

RATING FACTOR	PTS
a) The applicants/sponsor/developer has developed successful projects in Nevada within the past 10 years.	
b) 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.	
c) 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%.	
d) One point will be given for each successful project in Nevada.	
MAXIMUM PPROJECT READINESS PREFERENCE POINTS	5

Section 17 Preference Points for Extending the 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 10-year period of affordability, not to exceed 50 years.

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

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 18 Preference Points for Water Efficiency of Landscape Design (will compete with all applications in the same geographic or specified set-aside)

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.

RATING FACTOR	**PTS**
a) 75 percent desert/zero landscaped	
MAXIMUM PPROJECT READINESS PREFERENCE POINTS	5

Maximum number of preference points available for Standard Scoring Factors (Sections 12-18: -- 41

PREFERENCE POINTS - Project Type Priorities

[LANGUAGE REVISED IN SECTIONS 19-26 TO TO SIMPLITY INTENT.]

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

Sections 19-26 below described the ranking factors applicable to each project category. Applications will be ranked within each project category 8 and within the specific set-aside or geographic apportionment.

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 19 Preference Points for Projects for Individuals/Families with Children (limited only to those applications and compared with those in the same geographic or specified set-aside).

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 20 Preference Points for Senior Projects Age 55 Years and Older (limited only to those applications and compared with those in the same geographic or specified set-aside).

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 21 Preference Points for Special Needs Housing (limited only to those applications and compared with those in the same geographic or specified set-aside).

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:

Application One	Application Two
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 22 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 are eligible to apply for Tax Credits.

A. A donation of land from a governmental unit (federal, state or local).
B. A parcel of land transferred at a nominal cost from a governmental unit (federal, state or local).
C. Governmental and/or private contributions that subsidize the particular assisted living service provided for by the development.
D. 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 23 Special Housing Needs for the Nevada State Department of Corrections

Transitional Housing for persons released from the Nevada State Department of Corrections will be ranked based on the overall scope of the proposal to develop a positive transitional environment for paroled individuals. Successful sponsors will partner with the Nevada State Department of Corrections and transitional service providers to provide housing and essential service to facilitate the successful re-entry of persons back into communities. The preferred scope of the transition housing project is outlined in a proposal from the Nevada State Department of Corrections to the Division's Advisory Board. The Division will provide an outline of the proposal upon request. ***Maximum 25 points.***

Section 24 Preference Points for Projects for Promoting Eventual Tenant Ownership (limited only to those applications and compared with those in the same geographic or specified set-aside).

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 25 Preference Points for Acquisition/Rehab, Conversion or Change of Use Projects (limited only to those applications and compared with those in the same geographic or specified set-aside).

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 *$10,000.00* 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 1points. ***Maximum 10 points.***

Section 26 Preference Points for Mixed-Income Projects (limited only to those applications and compared with those in the same geographic or specified set-aside).

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.***

Maximum number of preference points available for Project Type Priorities (Sections 19-26): -- 25

Projects with no competing applications in the same geographic or specific set-aside in Sections 19-26 will receive the maximum point allowance by project type.

PREFERENCE POINTS – Special Areas of Consideration

[SCORING APPROACH REVISED TO PERMIT SELF-SCORING. NOT RANKINGS OF PROJECTS. POINTS AWARDED BASED ON OBJECTIVE PROJECT DETAILS.]

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 27 – 31 describes how preference points will be awarded to achieve these goals.

Section 27 Preference Points for Low Rent Targeting (will compete with all applications in the same geographic or specified set-aside).

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:

	Project One (40 units	**Project Two**	**Project Three**
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.

Rating Criteria (Low Rent Score)	**PTS**
= .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

Section 28 Preference Points for Low Income Targeting (will compete with all applications in the same geographic or specified set-aside).

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

	Project One (40 units	**Project Two**	**Project Three**
Number of Units	40 Units	40 units	52 units
Distribution of Units	All units @ 40% income	15 units @ 45% income 25 units @ 35% income	All units @ 35% income
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.

Rating Criteria (Low Income Score)	**PTS**
= .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

Maximum number of preference points available 10

Section 29 Preference Points for Supportive Services (will compete with all applications in the same geographic or specified set-aside). *[CONSIDER REVISING SECTION TO MATCH SUPPORTIVE SERVICES WITH TYPE OF HOUSING AND DEVISE SCORING IN THIS BASIS.]*

All projects are eligible to receive preference points based on the number of supportive services at the project. All supportive services must comply with all local, city, county, state and federal laws and regulations that include, but are not limited to, licensing, permits, certification and bonding and insurance requirements.

Evidence must be provided in the application that the project owner has a fully executed agreement (contingent upon receiving an allocation of Tax Credits) for the service being provided, and how it is to be compensated. The service must be available to all tenant families and will be available for a minimum 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:

Rating Criteria Supportive Services Provided	**PTS**
A. Provision of childcare services on-site or linked to outside centers.	2
B. Providing health care services on-site or linked with a local health care provider.	2
C. Providing job-training programs on-site or linked with a local training center.	2
D. Providing one prepared meal on a daily basis available to all tenants	1
E. Computer literacy training made available to all tenants	1
F. Personal finance training; that includes money management, credit counseling and personal budgeting.	1
Maximum Supportive Services preference points available	**6**

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

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

Section 30 Preference Points for Lowest Developer Fee (will compete with all applications in the same geographic or specified set-aside).

The developer fee must not exceed 15% of the projects eligible basis excluding the developer's fee for the project. 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.

Rating Criteria **Developer Fee**	**PTS**
A. Less Than 11% of Eligible Basis	5
B. 11.0% to 11.99% of Eligible Basis	4
C. 12.0% to 12.99% of Eligible Basis	3
D. 13.0% to 13.99% of Eligible Basis	2
E. 14.0% 10 14.99% of Eligible Basis	1
F. 15% of Eligible Basis	0

Maximum number of preference points available 5

Section 31 Preference Points for Lowest Contractor Fee (will compete with all applications in the same geographic or specified set-aside).

Contractor fees must not exceed 14%. 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. 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

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

Maximum number of preference points available 5

Maximum number of preference points offered for Special Areas of Consideration (Sections 27-31): -- 36

Section 32 Tie Breakers

In the event that one or more projects competing for Tax Credits in the same set-aside or geographical apportionment receives an identical number of preference points, the following criteria will be applied and compared on a project-by-project basis:

A. Lowest overall developer fee, as a percentage, based on total of residential square footage in the project, excluding common areas, (.40 points).

B. Lowest overall total of Tax Credits required per square foot of residential space for the project, excluding common areas, (.34 points).

C. Lowest overall contractor fee, as a percentage, based on total residential square footage in the project, excluding common areas, (.26 points).

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

CONSIDER ADDING SECTION AWARDING PREFERENCE POINTS FOR THE NUMBER OF ADDITIONAL HANDICAPPED ACCESSIBLE UNITS PROVIDED IN PROJECT ABOVE REQUIREMENTS SPECIFIED BY OTHER FINDING SOURCES (e.g. HOME).

PROJECT DEVELOPMENT INFORMATION

Section 33 Maximum 2004 Per Unit Development Cost ***[SECTION WILL BE UPDATED ONCE 2004 LIMITS ARE AVAILABLE. CONCERN ABOUT ADEQUACY OF 221(D))4) LIMITS W/O APPLICATION OF COST NOT ATTRIBUTABLE FACOTOR….]***

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 the per-unit amounts listed below. If a project's per unit eligible basis exceeds the amounts listed below, it will not automatically cause the application to be rejected. However, the project owner must provide documentation to the division that the project is financially feasible. The following figures are HUD Section 221(d)(3)-NP per unit limits. The effective date shown is for December, 2001. Figures for 2004 will be listed when provided by HUD.

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
				Non Elevator			
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
				Elevator			
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

Note: 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 34 Operating Expenses

The Division will consider that per-unit-per-month operating expenses, within a range of $200.00 to $300.00 as acceptable. Projects that have operating expenses outside this range will be accepted, but must include an explanation with the application. 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

Section 35 Estimation of Utility Allowances

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 PIH 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.

[IS THIS VERBAGE NECESSARY]: 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). Final applications must be completed on a final application form prescribed by the Division.

[IS THIS VERBAGE NECESSARY]: 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.

Section 36 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 will be authorized to utilize 130% of eligible basis as a factor in determining the adjusted eligible basis.

A. Qualified Census Tracts are identified in NAC 319.991(4).

B. ***[REQUIRES UPDATE OF QCT IN FINAL***] For plan year 2004, Douglas County, Nevada has been designated a "Difficult to Develop Area" by the United States Department of Housing and Urban Development (HUD). Also, newly identified Qualified Census Tracts are Washoe County Census Tract 33.01 and Humboldt County Census Tract 96.01. 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 37 Maximum Amount of Tax Credits Awarded

Developer Cap:
The Division has elected to limit the amount of tax credits a developer may receive under the 2004 plan to $1 million.

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 may 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

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.

Funding Projects From Multiple Set Asides.
If projects in different set-asides are competing for remaining Tax Credits, priority will be given to that project receiving the highest overall point total (regardless of set-aside), and remaining applications will be ranked in descending order based on preference points received.

If an application has been ranked to receive Tax Credits from a particular set-aside and the amount of Tax Credits requested or required exceeds the balance available in that set-aside, and if the application is first ranked in another set-aside or apportionment account, then Tax Credits may be awarded from the respective set-aside accounts accordingly. For example, if an application is next ranked to receive Tax Credits from the non-profit set aside but the amount requested or required exceeds the balance available in the non-profit set-aside, and if the application also is firs ranked to receive Tax Credits from its geographic sub-account, the application will be awarded the Tax Credits remaining in the set-aside and will be awarded Tax Credits out of the geographical sub-account. However, the amounts, when combined, may not exceed that maximum that has been established for this plan year.

If there are insufficient credits to fund the highest ranking application, the highest ranking application requesting an amount of Tax Credits equal to those remaining will be awarded those Tax Credits.

If a project sponsor is awarded Tax Credits, the Tax Credits Award can only be returned voluntarily by the project sponsor before the carryover allocation is due. If a project receives a carryover allocation and the project sponsor determines for whatever reason the Credits would be best returned to the pool, the return will be considered involuntary.
See NAC 319.972

Section 38 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;
3. Pre 8609 inspection by Division;
4. Comply with Section 42 (Lease up Requirements);
5. Letter certifying permanent financing is in place;
6. Letter acknowledging project has met ADA design standards are in place.

Section 39 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 40 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 should 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 Re Audit Fee

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

H. Legal Fees

[ADD DEFINITION TO SUBSECTION THAT EXPLAINS LEGAL FEES ARE TRIGGERED.]

If the sponsor and/or developer of the project requests a change and or decision which requires legal advice beyond the normal guidance provided by the Division Counsel, the sponsor and/or developer will be billed for the contract legal service at a rate of $475.00 per hour.

Section 41 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) Default or Failure to Complete Funding or Construction on a Tax Exempt Bond Issue, (3) Default and/or Failure to comply with a HOME and/or LIHTF and/or, (4) default or failure to comply with a Tax Credit Project that receives a Tax Credit reservation or allocation by the Division.

Section 42 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 to 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 43 Waiver of Annual Income Re-certification

Project owners of projects that are 100% Low-Income Tax Credits eligible may request the waiver of annual income re-certification under provisions of IRS Revenue Procedure 94-64, a copy of which may be obtained from the Division.

Prior to the Division's issuance of a statement that the project is in compliance with the Internal Revenue Code, the project owner must provide the Division with a third-party certification that the project is eligible to receive such a waiver. The certification must:

A. Be conducted by a consulting firm that is nationally recognized as being proficient in the field of monitoring compliance under the provisions of IRC § 42.

B. Certify to the Division that as of the date of the audit, the project was 100% in compliance with all of the provisions of IRC § 42, including, but not limited to, health, safety, and fair housing issues.

C. Recommend that the project and project owner be granted a waiver of annual income re-certification as provided under IRS Revenue Procedure 94-64.

At the request of the project owner, the Division will supply a list of consulting firms that are recognized as professionals 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 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 44 Tax Exempt Bond Program

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

1. Submit a final allocation application;
2. Submit a CPA certification of costs;
3. Have a Pre 8609 inspection by the Division (at that time the Division will review all amenities and any energy efficiency agreements to the original bond application or any agreed changes);
4. Comply with Section 4*2* (Lease up Requirements);
5. The project must be in compliance with the Bond Regulatory Agreement;
6. Comply with IRS Section 42 50% test.
7. The project must meet project type requirements as outlined in the QAP.

CONTACT INFORMATION

Section 45 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 46 Housing Division Offices

Nevada Housing Division
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Las Vegas, Nevada 89119

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

Contact Person:
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Loan Administration Officer
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
Loan Administration Officer
Extension 224

ATTACHMENT B
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, Mesquite)

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

Clark County

1. Support construction of Affordable Housing for renters with income levels at 60% or less of AMI.

2. Promote construction and rehabilitation of SRO by non-profits.

3. Promote construction and rehabilitation of Permanent Housing for people at 40% or less of AMI especially seniors and disabled LIHTC.

4. Encourage housing for persons with physical disabilities and Elderly.

5. 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.

<u>Washoe County</u> (includes the county, Reno, 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.

<u>State Plan</u> (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 C
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. ACESSIBLE 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 rampscuts for a person using a wheelchair to reach every building in the development

? Curb rampscuts 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 cooktop at end have 60" diamater turning space or have sink or cooktop 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