THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA HOUSING DIVISION

2005 QUALIFIED ALLOCATION PLAN
for
LOW-INCOME HOUSING TAX CREDITS
Draft for 9/14/04 Advisory Committee Meeting

PROJECT SCORING

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2005 ANNUAL QUALIFIEDALLOCATION PLAN
for
LOW-INCOME HOUSING TAX CREDITS

GENERAL INFORMATION

Section 1 Annual Plan Information

Nevada's 2005 Qualified Allocation Plan (QAP) is adopted pursuant the Nevada Housing Division's (Division) regulations implementing the Low-Income Housing Tax Credits (Tax Credits) program. The Regulations, the Application form, the Instructions and the Compliance Policies and Procedures Manual constitute the Division's QAP for the Low Income Housing Tax Credits Program pursuant to Section 42 of the Internal Revenue Code of the United States and implementing regulations.

The 2005 QAP covers the period January 1, 2005 to December 31, 2005. All reservations of Tax Credits made during the plan year are subject to this annual plan.

The Division will continually update our web page with information regarding the 2005 QAP. NHD web address: http://www.nvhousing.state.nv.us/.

Section 2 Training and Application Submission Dates

A. Completeness and Consistency of Tax Credit Application
Final applications must be completed on a Final Application form prescribed by the Division.

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

B. Tax Credit Application Deadline
Pursuant to Nevada Administrative Code (NAC) 319.974, Applications for Tax Credits and all supporting documentation must be sent to the Las Vegas or Carson City office of the Nevada Housing Division and *received by 5:00 p.m. May 6, 2005,* unless otherwise notified by the Division. One original and one copy of the application must be submitted. Applicants are encouraged to send in applications more than 10 days before the deadline to take advantage of a pre-deadline review period. The Division will allow an extension of the 10-day review period if HUD guidelines required for the finalization of the QAP are delayed. The Division will make an announcement regarding the extension if applicable.

C. 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 Sponsor must meet the 10% test by May 1, 2006, and must supply the Division with a Federal Tax Identification Number to receive a carryover commitment. The Division will issue carryover allocations on November 1, 2005.

D. Training Dates/Reservations for Sessions

The Division will conduct training on the 2005 QAP in Carson City and Las Vegas on November 17, 2004 at 9:00 a.m. The training locations are listed below.

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

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

Persons desiring to attend should notify the Division by November 11, 2004 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 2005 QAP.

E. Training Cost

The cost of this training is **$25.00 per person**. The registration fee must be prepaid by check to the Division's offices in Carson City or Las Vegas by November 11, 2004. ***(Cash cannot be accepted.)***

Section 3 Findings of the Division; Identification of Housing Needs

The Nevada Housing Division has reviewed 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 consulted by the Division include 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, and surveys of city planners and county assessors, and compilations of demographic statistics.

For the 2005 plan year, the Division's review specifically considered factors including high concentrations of low-income persons, vacancy rates, and the conditions of existing housing units.

A. Findings On Existing Housing Needs

The Division's findings regarding housing needs for the 2005 plan years are listed below. More detailed information on housing needs by geographic area is available in ATTACHMENT A.

1. There is an inadequate supply of transitional housing to support the needs of the homeless within Nevada.

2. There is an inadequate supply of affordable standard housing units for extremely- and very low-income populations, especially low-income elderly and families with single heads of households.

3. A significant number of Nevada's households live below the poverty level especially households with persons 55 and older and families with children and female heads of households.

4. There is a lack of affordable handicapped accessible housing units for the physically disabled who generally have low incomes. (Within the QAP the term "handicapped" refers persons with disabilities as defined in the Federal Fair Housing Act and the Department of Housing and Urban Development's regulations.)

5. The vacancy rate among three-bedroom units is ***higher*** than the vacancy rate of one- and two-bedroom units in Las Vegas and Reno.

6. Certain counties and communities are experiencing economic growth, but have insufficient housing for low-income persons.

7. Throughout the state rental housing needs are exacerbated by overcrowding, lack of essential facilities, and costs disproportionate to household income.

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

9. Populations with specialized housing requirements have significant unmet needs.

The Division has addressed the housing needs identified by the various Consolidated Plans through the selection requirements and project scoring factors in the 2005 QAP.

B. Findings On Housing Market Conditions

The Division annually publishes information on housing market conditions for the Las Vegas and Reno/Sparks metropolitan area.[1] A copy of this publication is available on the Division's website www.nvhousing.state.nv.us. Selected tables from this publication showing housing units and vacancy rates are provided in ATTACHMENT B. Applicants should consult this information in developing eligible Tax Credit projects.

Key Findings – Las Vegas Housing Market:

- 2004 new construction starts of multi-family properties is ahead of 2003 levels, although since 2000 data continues to reflect a downward trend in the number of new multifamily rental properties added to the housing market.
- Affordable unit rental rates are typically 18% - 20% below market unit rental rates.
- Average rents increased between 2003 and 2004 for all housing bedroom unit sizes, ranging from a 3.28% increase for studio apartments to 1.52% for 3-bedroom units.
- The overall vacancy in the Las Vegas market decreased from 7.6% in 2003 to 5.3% in 2004, a reduction of over 30 %.
- Vacancy rates significantly declined for all housing bedroom unit sizes in the Las Vegas Metropolitan area.
- 3 and 4 bedroom size units continued have the highest vacancy rates in the Las Vegas and Reno/Sparks housing markets.
- Vacancy rate for senior apartments is 7.12% compared to 5.3% for the area's total market.
- Larger assisted living complexes (18+ units) were found to have a 17.3% vacancy rate.
- Mean monthly rental rates for units in assisted living facilities ranged from $1,785 - $3,240.

[1] Source: Nevada Housing Division. NHD Apartment Facts, Second Quarter 2004. This report is an annual publication of the Nevada Housing Division available at www.nvhousing.state.nv.us

Key Findings – Reno/Sparks Housing Market:

- Since 2002 the construction of new multifamily rental properties has steadily declined in the Reno/Sparks housing market. The estimated 2004 new construction starts of multi-family properties are slightly lower than 2003 levels.
- Affordable unit rental rates for studio and 1-bedroom units are respectively 2% to 8% below market unit rental rates. Affordable unit rental rates for 2- and 3-bedroon units are 12%–18% below market rental rates.
- Average rents for studio and 1-bedroom units were within +/- 1% of 2003 average rent levels. Average rent increases were 1.7% for 2-bedroom units and 2.5% for 3-bedroom units.
- The overall 2004 vacancy rates in Reno/Sparks declined slightly from 5.8% to 5.1%.
- 2004 vacancy rates slightly declined for most housing bedroom unit sizes. The greatest decline in vacancies was for 2-bedroom units, which declined from 6.1% (2003) to 4.5%. The vacancy rate for 3-bedroom units increased from 6.6% (2003) to 8.0%. Studio size units continue to have the highest vacancy rate, although the vacancy rate declined to 10.1% from 11.6% (2003).

C. Market Area Saturation Assessment

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

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

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

Tax Credit applications may be deemed ineligible if: (1) the assessment determines that comparable affordable housing projects have occupancy levels less than 90 percent; (2) the proposed housing project would have a significant adverse financial affect on other publicly funded projects without offsetting public benefits; or, (3) the rents for the affordable housing project are equal to or greater than comparable market-rate housing.

Community population estimates will be based on the State Demographer's estimate of record as of July 1, 2004.

APPORTIONMENT OF TAX CREDITS

Section 4 Apportionment Accounts and Initial Balances

The Per Capita Tax Credit (PCTC) for 2005 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 May 1, 2005, the application deadline will be extended 10 days from the date that the PCTC is published.

Estimated Tax Credit allocations are shown in the table below. Project Sponsors are responsible for obtaining information on the actual amount of apportionment prior to the submission of an application. Information on the actual amount of apportionment for each set-aside or other sub-account will be available on the Division's web site: http://www.nvhousing.state.nv.us/ or may be obtained by contacting the Division. The Division reserves the right to round up or down the actual dollar amount designated to any set-aside or geographical apportionment.

	State Population Est.[2]		Estimated Tax Credit Levels
STATE TAX CREDIT CEILING:	2,296,563		**$4,018,985.25**
CARRYOVER AND OTHER CREDITS:			**$ 0.00**
TOTAL AVAILALE 2005 ALLOCATION:			**$4,018,985.25**
TOTAL SET-ASIDES:	Set A-side Percent		**$602,847.79**
NON-PROFIT SET-ASIDE -	10%	$401,898.53	
USDA-RD SET-ASIDE -	5%	$200,949.26	
TOTAL GEOGRAPHIC APPORTIONMENT:	Percent of Population		**$3,416,137.46**
Clark County	70.57%	$2,410,862.65	
Washoe County	16.25%	$555,184.09	
Other Counties	13.18%	$450,090.73	

See NAC 319.972

[2] 2003 Official Population Estimates. Nevada County Population Estimates July 1, 1986 to July 1, 2003. Nevada State Demographer. http://www.nsbdc.org/demographer/pubs/pop_increase.html

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 $400,000.00. 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 Sponsor 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 Sponsor 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 $200,000.00. At the time of application, the Project Sponsor must supply the local USDA-RD office with a letter authorizing that office to release to the Division a copy of the Project Sponsor'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 the USDA-RD set-aside will be limited to those projects that are receiving direct funding from USDA. Loan guarantees or other similar support will not be considered for a reservation or allocation from this set-aside.

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

USDA-RD Tax Credits applications will be processed within the normal Tax Credits reservation cycle.

If no Tax Credit applications are received requesting the USDA-RD set aside, the Division will redistribute all sums in the USDA-RD set aside to the three geographic sub-accounts based on population.

If the USDA-RD 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

After each apportionment has been made to set-aside accounts established in the QAP, the Division will allocate the remaining Tax Credits specified in the annual plan into a geographic distribution account. The Division will allocate Tax Credits in this account to geographic sub-accounts established for Clark County, Washoe County, and Other Nevada Counties. The allocations will be based on Nevada's official population estimates issued by the Nevada State Demographer's Office on July 1, 2003. The population estimates for Clark County, Washoe County, and Other Nevada Counties will be used to establish apportionment percentages for the mandated geographic sub-accounts: *See* NAC 319.972.

Section 8 Tax Credit Reservation Process

The reservation of Tax Credits will be made on the basis of high score within the established set-aside and geographic sub-accounts. **The application must specify all of the set-asides and/or geographic apportionments apply for by the Project Sponsors.**

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

A. **Step One:** Reservations of Set Aside Allocations

Allocation of Tax Credits to the project(s) with the highest score in the Non-Profit and USDA set-asides accounts will be made first. Tax credits will be allocated until the amount of tax credits in each set-aside is fully allocated. If additional Tax Credits are needed to fund the proposal, additional Tax Credits will be taken from the appropriate geographic apportionment on the basis of high score.

- Unreserved amounts from the Non-Profit set-aside will be carried over into subsequent rounds for non-profit as a minimum tax credit to be set-aside for non-profit corporations pursuant to regulation.

- Unreserved amounts from the USDA-RD set aside will be returned for redistribution to the three geographic sub-accounts based on population

B. **Step Two:** Reservation of Geographic Apportionments

After reservations are made to projects requesting set-aside funding, the Division will allocate Tax Credits to the new projects and projects requesting additional tax credits in each of the three mandated geographic sub-accounts: Clark County, Washoe County, and Other Nevada Counties. Geographic allocations will be made based on high score within each set-aside. The Division will make Tax Credit reservations to geographic sub-accounts in the following order: (1) Clark County
(2) Washoe County (3) Other Nevada Counties.

- If the Division does not reserve all of the funds allocated to the Clark County sub-account the Division will transfer any surplus tax credits remaining in that sub-account to the sub-account for Washoe County.

- If the Division does not reserve all of the funds allocated to the Washoe County sub-account the Division will transfer any surplus tax credits remaining in that sub-account to the sub-account for Other Nevada Counties.

Tax credits will be allocated until the amount of Tax Credits remaining in each Geographic Apportionment is insufficient to fund the next highest-ranked ranked project for that area.

C. **Step Three:** Transfer to General Pool

Any Tax Credits not reserved from the Geographic account will be placed in a General Pool.

At the discretion of the Division Administrator, Tax Credits in the General Pool may be allocated to fund: (1) the next highest ranked project in the first funding round; (2) new projects as part of a second funding round; or (3) projects requesting additional Tax Credits.

ELIGIBLE PROJECTS

Section 9 Eligible Project Categories

The 2005 QAP contains six eligible project categories listed below. Only one project category may be selected for each application.

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

To be considered for this category, units must be made available to individuals and families with children. No 100 percent studio apartment projects are allowed.

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

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

At least 10% of the total units in the project must be two-bedroom units (with the exception of USDA/RD funded projects).

C. Special Needs Housing - (New Construction)

To be considered for this category, at least 30% of the units must serve one or more or the special needs population identified below. The Special Needs Populations identified below are not intended to be "all inclusive" and the Division reserves the right to award preference points to other Special Needs populations upon request of the Project Sponsor and approval by the Division. The approval must be received prior to the submission of the application.

1) Persons with physical disabilities

2) Persons with developmental disabilities

3) Persons with mental illness as defined by the National Institute of Mental Health

4) Permanent supportive housing for persons and families who are homeless

5) Victims of domestic violence

6) Persons with HIV/AIDS (as diagnosed by a board certified physician in Nevada)

7) Transitional housing for persons released from incarceration, including persons paroled or on probation

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

9) 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

10) Frail elderly requiring assisted housing with 24-hour care

11) Persons with Alzheimer's/Dementia

Services and care provided to Special Needs populations must be provided for the initial 15-year IRS mandated period of affordability. The provision of care during the extended compliance period will be assessed by the Division to determine if the project can continue as both an affordable housing facility and a provider of care. If the provision of care is not feasible the Division has the authority to amend the extended use agreement.

Care services for Special Needs populations must be optional to tenants residing in restricted units. Any cost associated with care services must be separated from the rent. *Caution: Fees may not be charged for any item that is part of the eligible basis.*

The Project Sponsor must provide a description of the care services provided and/or available to low-income tenants and the estimated costs of these services. The Project Sponsor must provide a list of the services provided at the facility, the cost of each service, and a description of how the cost for the services will be funded, especially for tenants that may not have the means to pay for the level of care. The subsidization of the services to low-income tenants may be accomplished through a mixed-income project in which residual income derived from the market-rate units subsidize the services received by low-income tenants.

For projects serving Frail Elderly and Alzheimer populations:

- Only 20/50 and 40/60 mixed-income projects are eligible for Tax Credits
- Care services must be conducted on a 24-hour basis

Frail Elderly and Alzheimer projects are not eligible to receive preference points for extend compliance periods

D. Mixed Income/ Mixed Use Residential Projects - (New Construction)

1) Mixed Income. Under this category, to be considered a Mixed Income Project 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.

2) Mixed Use. Under this category, to be considered a Mixed Use Project the following criteria must be met:

   a. Commercial retail or office space must be a minimum of either 10% of the gross floor space for the project or 3,000 square feet.

   b. Commercial retail or office space must be leased to a third-party with a minimum of 50% of the commercial retail or office space leased up prior to the issuance of IRS Form 8609s for the project.

   c. The local government must provide documentation that the site must be properly zoned for commercial retail or office space. The commercial retail or office space components and the housing component must be parceled out. Each component must have a separate legal description prior to the receiving a carry-over allocation of tax credits.

   d. The eligible basis for the Tax Credit project must not include any costs for the commercial retail or office space. The Project Sponsor must document the source of funding for commercial retail or office space components in the sources and uses section of the application. The commercial retail or office space components must be underwritten separately with a minimum debt service ratio of 1.20.

   e. The marketing study must include an assessment of the economic viability of the commercial retail or office space site based on comparable leasing costs per square foot, projected income/operating expenses, vacancy, local competition, etc.

   f. Commercial retail or office space establishments must be conducive to family housing. Commercial retail or office space establishments may not include adult only establishments, night clubs, massage parlors, liquor stores, or other similar establishments.

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

To be considered for this category, all of the restricted rental units in the project must be made available for eventual ownership. Residential units must be detached single-family structures and/or townhouses. The lots for each single-family home must be parceled out and must have separate legal descriptions. All single-family homes must be located in the same parcel or parcels if they are contiguous. Scattered site projects will not be allowed.

The Project Sponsor must make the units in the project available for purchase by the existing tenants upon the termination of the 15-year compliance period. Existing tenants have a first right of refusal to purchase the unit. Thereafter, units may be made available for purchase to other qualified low-income families and/or individuals that satisfy the project's requirements.

The purchase price of the units must take into consideration the rent paid by the tenants.

The mortgage must be a 15-year mortgage with rates and terms consistent with those offered and available in the local housing market.

The project must fully comply with the tenant income and rent requirements for the LIHTC program during the initial 15-year period of affordability. The project will be exempt from any additional affordability requirements when all of the single-family structures in the project are sold to eligible families. The 15-year affordability period will be extended on all of the remaining, unsold units until the last single-family home in the project is purchased. The project is not eligible for any extended compliance points. Homes not sold must remain affordable rental units pursuant to the terms and conditions of the original application and the Declaration of Restrictive Covenants.

Key Requirements for Tenant Ownership Projects:

1) Tenant Income: The Project Sponsor must set eligible tenant incomes pursuant to LIHTC program requirements during the initial 15-year period of affordability. Tenant incomes must conform to HUD income guidelines and Project Sponsors must complete all of the required income verifications and certifications. Project compliance requirements are contained in the Divisions *Low Income Housing Tax Credit Compliance Policies and Procedures Manual*.

2) Rent Restrictions/Lease Agreements: Tenant lease agreements must conform to LIHTC program requirements during the initial 15-year period of affordability. The tenant portion of the rent plus utility allowance and any other mandatory fees must not exceed the maximum gross rent allowed by Section 42 of the Internal Revenue Code. Project compliance requirements are contained in the Divisions *Low Income Housing Tax Credit Compliance Policies and Procedures Manual*.

3) Management Plan: The Project Sponsor must submit a plan for the ongoing management and maintenance/repair of the project as a rental property for the initial 15-year credit period. The plan should include information on the location of the leasing office, costs associated with property leasing and administration, and maintenance schedules and costs for general repairs, maintenance, and replacement of mechanical items.

4) Escrow Account: The Project Sponsor must provide a written description as to how the diminimus tenant escrow accounts will be set up. A portion of each tenants rent must be set aside and accumulated to contribute as a down payment towards the purchase of the unit (diminimis payment). Tenants who terminate residency at the project must have this money returned to them plus nominal interest accrued The Project Sponsor is required to set up individual bank accounts (diminimus accounts) for each tenant family residing in the property.

5) Right of First Refusal: The Project Sponsor must provide a copy of the Right of First Refusal Agreement (Agreement) to the Division for approval. The Agreement must:
   a. Guarantee the tenant the right to purchase the property if the tenant agrees to the terms and conditions of the initial lease;
   b. Specify a "not to exceed" offering price to the tenant; and
   c. Provide a clause that the tenant cannot be displaced from the property without just cause

F. Acquisition/Rehab/Conversion[3]/Change of Use[4]

Applications for Acquisition/Rehab may be proposed for any tenant base specified in Section 9 A-E of the 2005 QAP. However, the project will be categorized and scored solely as an Acquisition/Rehab project.

To be considered for this category all units in the project must 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.

The allowable acquisition price used in calculating the eligible basis is the "as-is" appraised value as of the date of acquisition. A copy of the appraisal must be submitted with the application.

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

[4] Change of Use Projects – refers to projects that alter existing housing to meet other housing, needs (i.e. converting a transitional housing project into affordable housing for the elderly).

The per unit rehabilitation investment will be calculated by taking the actual hard construction cost of the project divided by the number of residential units. Rehabilitation work elements and costs must be specified in the Comprehensive Needs Assessment.

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

Key Requirements for Acquisition/Rehabilitation Projects

1) Capital Needs Assessment: A Capital Needs Assessment (CNA) is required for all acquisition/rehabilitation or conversions projects whether or not the project will maintain its affordability for 30 years or more. The CNA must be prepared by a competent independent third-party. The Capital Needs Assessment must a list of planned expenses by component category. The format for itemizing planned expenses by component category is available in **ATTACHMENT C**.

2) Scope of Rehabilitation: Rehabilitation developments must demonstrate that the rehabilitation is substantial and involves 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.

3) Service Date: All buildings must be placed in service within two years from the date of allocation of the Tax Credits, or the Tax Credits will be returned to the Division.

4) Tenant Displacement and Relocation: To minimize displacement of existing tenants, the Project Sponsor may choose to income-qualify all tenants immediately upon acquisition of the buildings in the project.

5) Prior Ownership: Project Sponsors must provide a detailed ownership history of buyer and seller. The Project Sponsor's prior ownership interest in the property cannot exceed 10 percent. No sale will be allowed from one partnership to another partnership if the entity selling the property is also one of the limited/general partners purchasing the property, and the entity selling the property has more than a 10 percent interest in the purchased property.

6) Lead Based Paint: Under the Uniform Physical Conditions Standards housing projects must comply with Lead Safe Housing Rules.[5] These requirements apply to building and units built before 1978. Paint with at least one (1) milligram of lead per square centimeter of paint, or with a half percent of lead by weight is considered lead-based paint and subject to the federal regulations. Typical lead based-paint hazards include deteriorated paint, and dust or bare soil with lead above specified levels.

[5] 24 C.F.R. part 35.

Section 10 Request for Additional Tax Credits

Projects receiving Tax Credits in previous allocation rounds may request additional Tax Credits due to increased construction costs. To request additional Tax Credits, applicants must submit an updated application pursuant to the instructions in the 2005 QAP and a letter to the Division outlining the reason for the request for additional Tax Credits.

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

1) Requests for additional Tax Credits must be based on an increase in eligible basis.

2) Additional Tax Credits exclude Developer and Contractor Fees.

3) The request for additional Tax Credits **shall not exceed ten percent of the original Tax Credit award**.

4) A project may only apply once for additional Tax Credits.

5) All requests for additional Tax Credits will compete with new tax credit projects within each geographic set aside using the project scoring criteria of current year QAP.

6) Except as provided in subsection 5) requests for additional Tax Credits may be considered with other Tax Credit requests at the end of the initial competitive round at the discretion of the Administrator for projects that have not meet the per project Tax Credit cap requirements of $750,000.

PROJECT THRESHOLD REQUIRMENTS

Section 11 General Project Requirements

The following reflect minimum threshold requirements:

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

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

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

B. Project 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. Project Reserves For Replacement Requirements
The project must maintain minimum annual replacement reserves as follows:

1) For new construction senior projects: $200.00 per unit.
2) For all other new construction projects: $250.00 per unit.
3) For all Acquisition/rehabilitation Projects: $300.00 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 that supports the higher annual replacement reserve. The Division reserves the right to limit excessive minimum reserves.

D. Financial Feasibility Requirements

IRS rules require the Division to limit Tax Credits allocations to the amount necessary for the project to be financially feasible and induce long-term viability. To make this determination, the Division completes financial feasibility evaluations three times before Tax Credits are issued.

Factors For Assessing Financial Feasibility	
The Division considers the following factors in performing the financial feasibility evaluations:	
✍ *The cost of the project*	✍ *The sources and uses of money for the project*
✍ *The reasonableness of construction costs*	✍ *The plan for financing the project*
✍ *The cost per unit of the project*	✍ *The projected proceeds from the sale of Tax Credits*
✍ *The projected income, expenses and cash flow, for the compliance and extended compliance period*	✍ *The percentage of the housing credits used for the cost of the project*
✍ *The reasonableness of the projections of income and expenses and the assumptions upon which those projections are based*	✍ *The demonstrated stability of the Project Sponsor, including an analysis of the financial statements of the Project Sponsor*
✍ *The fees for developers and contractors*	

The Division has also adopted the financial standards to analyze the financial pro forma included in each application. They include:

- ✍ Minimum debt service coverage ratio of 1.15 on all combined debt excluding notes not requiring repayment until the sale of the property (except for USDA financed projects);
- ✍ 3 percent limitation on increases to projected project income and expenses;
- ✍ 7 percent limitation on unit vacancy assumption;
- ✍ Operating ratio of at least 35 percent but not greater than 45 percent;
- ✍ Replacement Reserves of $200 per unit for senior new construction, $250 per unit for other new construction projects, and $300 per unit for acquisition/rehabilitation projects;
- ✍ 15 percent limitation on developer fees; and
- ✍ 14 percent limitation on builder's profit, overhead and general requirements.

The first financial feasibility evaluation is performed at the time of application. The applicant must demonstrate to the satisfaction of the Division that the project is financially feasible based on the amount of rent charged for units as submitted in the application.[6]

The Division performs the last of the three required financial feasibility evaluations prior to the final award of Tax Credits. The Division uses the Eligible Basis Method and the Gap Calculation Method to determine the appropriate amount of Tax Credits required for a project.

[6] NAC 319.987

E. Market Condition Assessment Requirements

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

1) Minimum Qualifications. The party completing the market study must have the following qualifications:
   a. Minimum of five years of experience, with a strong background assessing affordable housing markets
   b. Multi-state experience
   c. Bachelor's degree in real estate development/ finance, planning, marketing, accounting, statistics or a related field and
   d. Certification from a nationally recognized housing or real estate market research association or authorized by the Division

2) Required Format and Elements of Market Study: **The market study must be organized using the format below and minimally include the elements listed below**.
   a. Statement of Qualifications/Conflict of Interest Disclaimer
      i. Statement of the qualifications of the market analyst; and
      ii. Certification that the market analyst will not benefit financially if the project receives a reservation or award of Tax Credits.

   b. Description of Market Area
      i. Description of the proposed project site and market study area. (The market study area must include an area within a **2.5-mile radius** of the project site in urban areas and 5-mile radius of the project in rural areas unless otherwise supported by the market study.);*****
      ii. General description of housing stock/types in market area;
      iii. General description of major employers and public facilities in the market area; and
      iv. Maps of project site and market study area including a map of all affordable or similar housing projects located within 2.5 miles of the proposed project.

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

d. Competitive Assessment of Comparable Projects in Market Area
   i. Description of comparable market-rate and affordable properties in the market area with details on unit size, amenities, and proximity to services;
   ii. Description of rent levels and vacancy rates of comparable market-rate and affordable properties; and
   iii. Analysis of available operating expenses and turnover rates of comparable properties in the market area.[7]

e. Assessment of Project Impacts on Housing Market
   i. **Analysis of expected market absorption of the proposed project**;*
   ii. Analysis of the impact of the proposed project on the rent levels and vacancy rates of other assisted and/or subsidized housing projects;
   iii. An assessment of the potential financial impacts on other assisted and/or subsidized housing projects; and
   iv. Analysis of the potential affects that business closures of a major area employers would have on the proposed project.

** The market study will not be considered if the market study does not comply with this mandatory element.*

F. Project Ownership Documentation

Project Sponsors must provide (1) proof of site ownership, supported by a copy of the grant deed or title insurance policy; or (2) a valid and binding purchase contract or option to purchase that identifies 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 describing 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 Sponsor under provisions of NRS 244.287. The resolution must further allow the recording of the Division's Declaration of Restricted Covenants on the property.

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

[7] The Division acknowledges that obtaining operating expenses and turnover rates on comparable properties may be difficult to obtain and therefore the absence of this information from the market study will not cause the market study to be rejected

G. Housing Development and Management Capacity

Project Sponsors must demonstrate sufficient organizational capacity to develop and manage low-income housing projects.[8] To make this demonstration, the Division requires applicants to provide the following additional information with the Tax Credit application.

1) Housing Experience. The Project Sponsor must submit an addendum to the application providing a description of at least five projects developed/managed, including the name and location, date construction began, the date lease-up began, current occupancy levels, and permanent financing sources. Organizations with less than five projects will be considered if they have received an allocation of Tax Credits within the last three years and if the project(s) is in good standing. A copy of the recorded Declaration of Restricted Covenants must be provided for these projects. If the Project Sponsor is a Nevada based developer and the declaration of restrictive covenants are filed and on record with the Division, simply state the name of the completed project.
(*See* NAC 319.989(16))

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

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

   The Division may reject applications and/or make reductions to application point totals in cases where Project Sponsors have significant outstanding unresolved negative compliance findings.[9]

H. Special Needs Housing Experience

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

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[8] A low-income housing project is defined as a project with restricted rents serving households whose gross income does not exceed 60% AMI subject to a minimum period of affordability.

[9] Negative Findings refer to cases in which the project is in material non-compliance and the responsible public entity has filed a 8823 form or other similar notification of non-compliance.

I. Project Physical Conditions Standards

The project must provide decent, safe and sanitary housing for low-income persons as set forth in applicable federal and state statutes and regulations during the compliance period.

Effective July 1, 2004, the Division will use the Uniform Physical Condition Standards, published by the Department of Housing and Urban Development, to determine whether the LIHTC projects remains suitable for occupancy. *HUD's Uniform Physical Condition Standards (24 CFR 5.703) can be accessed at www.hudclips.org*. These standards require properties to be in "decent, safe and sanitary condition and in good repair" and require agencies to inspect the following five major areas:

1) **Site –** The site includes components such as fencing and retaining walls, grounds, lighting, mailboxes, signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways. The site must be free of health and safety hazards and be in good repair.
2) **Building exterior –** Each building on the site must be structurally sound, secure, habitable, and in good repair. The building's exterior components such as doors, fire escapes, foundations, lighting, roofs, walls and windows, where applicable, must be free of health and safety hazards, operable, and in good repair.
3) **Building systems –** The building's systems include components such as domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system. Each building's systems must be free of health and safety hazards, functionally adequate, operable, and in good repair.
4) **Dwelling units –** Each dwelling unit within a building must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example the unit's bathroom, call-for-aid, ceiling, doors, electrical systems, floors, hot water heater, HVAC (where individual units are provided), kitchen, lighting, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.
5) **Common areas –** The common areas must be structurally sound, secure and functionally adequate for the purposes intended. The common areas include components such as basement/garage/carport, restrooms, and closets, utility, mechanical, community rooms, day care, halls/corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas, if applicable. The common areas must be free of health and safety hazards, operable, and in good repair.

All areas and components of the housing must be free of health and safety hazards including but are not limited to: air quality, electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead based paint. For example, the buildings must have fire exits that are not blocked and have handrails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor or other observable deficiencies.

J. <u>Project Implementation</u>

Project Sponsors <u>must</u> sign the Division's Agreement to Commence Construction within 270 days in order to receive a reservation of Tax Credits. Failure to complete the Agreement within the specified period will result in the forfeiture of the awarded Tax Credits.

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

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

For approved Tax Credit project at Lake Tahoe, Project Sponsors may request up to a 60-day extension period.

K. <u>Execution of Agreement</u>

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

Section 12 Project Security and Management

A. Project Security and Safety

Tax credit project must provide appropriate security systems and improvements to reasonably safeguard the safety of residents[10]. For the purposes of this section, security systems include: project fencing, defensive landscaping, security doors, screens and gates, gated project access control systems using keypads or magnetic cards, self door locking door mechanisms, project/unit camera surveillance with on-site closed circuit monitor, panic attack systems, emergency lighting, burglar alarms, and other similar protective measures.

The type of security systems appropriate for a project will depend on various factors including housing type, project design and location. Other than particular security measures mandated in this section, Project Sponsors may determine what security systems and improvements are appropriate for a project.

Mandatory Security and Safety Measures:

1) For elderly housing projects, Project Sponsors must provide closed circuit monitoring systems. Alternative security systems and measures may be installed in lieu of closed circuit monitoring systems for acquisition/rehabilitation projects and/or single story projects under 50 units that serve seniors.

2) For elderly housing projects over 50 units, fire detection and suppression sprinkler system in each unit. Suppression sprinkler equipment not required for elderly acquisition/rehabilitation projects or single story projects under 50 units.

The Division requires Project Sponsors to provide information on security related issues. The requested information including building evacuation procedures, documentation of building break-ins, vandalism and public safety concerns, police reports, and project plans for addressing security issues.

[10] Security requirements DO NOT apply to tenant ownership projects.

B. Project Management

At a minimum, all tax credit projects that have 50 or more units must have on-site management. For the purpose of this section, on-site management includes managers, maintenance, or security personnel.

The Project Sponsor is responsible to the Division for insuring that the LIHTC Program is properly administered. **Project Sponsors are responsible for being aware of all applicable Federal and State rules and regulations that govern their projects.** The Project Sponsor must make certain that property managers comply with all appropriate statutes, rules, regulations, and policies that govern the property.

It is the responsibility of the Project Sponsor to inform the Division of any major changes that are made to the property throughout all phases of construction, rent-up, and operation as well as the placed in service date.

The Division's *Low Income Housing Tax Credit Compliance Policies and Procedures Manual* provides guidance for complying with Internal Revenue Service regulations published under Section 42 of the Internal Revenue Code (IRC) the Nevada Administrative Code[11] (NAC).

The Division requires that one management company representative and one on-site Manager directly involved in the management of the project attend at least one of the Annual Compliance training sessions provided by the Division. The purpose of the compliance training session is to provide instructions for the following compliance issues:

- Federal laws determining eligibility for low-income tenants
- Division rules and regulations determining eligibility for low-income tenants
- Specific information necessary for continued LIHTC Program compliance
- Income Limits
- Rent Limits
- Income Verifications
- Annual Income and Assets
- Annual Income Certifications
- Annual/Quarterly Status Reports

[11] The specific provisions of the NAC pertaining to Tax Credits for low-income housing are found at Chapter 319 – Assistance To Finance Housing, Sections 319.951 to 319.998 inclusive.

Section 13 Mandatory Energy Conservation Requirements

Project Sponsors must comply with Energy Efficiency Standards and requirements specified in this section as a condition of receiving Tax Credits. Projects in counties governed by the Model Energy Code (1997) and produce project energy efficiency equal to or more efficient than those prescribed below are acceptable.

A. Minimum Energy Conservation Standards

All Tax Credit projects must include minimum energy conservation measures prescribed below or alternate equipment, materials, or technologies that achieve energy efficiencies comparable to the measures listed above.

1) Mechanical Systems Standards

Heating and cooling systems must be sized using ACCA's Manual J or equivalent protocol. Information below is for heating systems and hot water heaters fueled by natural gas. For areas not served by natural gas, contact the Division.

<table>
<tr><th>Equipment</th><th>Northern Nevada</th><th>Southern Nevada</th></tr>
<tr><td>✍ Conventional Forced Air Furnace</td><td>90 AFUE</td><td>90 AFUE</td></tr>
<tr><td>✍ Split System Central A/C and air source heat pumps up to 135,000 Btuh</td><td>10 SEER</td><td>12 SEER or
8.0 HSPF or
11 EER</td></tr>
<tr><td>✍ Combined Space Heating/Water Heater</td><td>85 CAafue</td><td>85 CAafue</td></tr>
<tr><td>✍ Water Heater</td><td>Energy Factor .61</td><td>Energy Factor .61</td></tr>
<tr><td colspan="3">Other requirements:
✍ Heating Systems within conditioned spaces must be sealed-combustion units.
✍ Cooling Systems should have thermal expansion valves.
✍ Water Heaters inside conditioned spaces of dwelling units must be power vented or direct-power vented unit
✍ Duct Leakage – Total leakage of complete HVAC system and ducts 10% or less of air-handler related flow.
✍ Thermostats - (New Construction Only) Programmable, dual setback thermostats. Alternatives to programmable thermostats may be used in elderly projects with prior approval.</td></tr>
</table>

2) Building Envelope Standards

Equipment	Northern Nevada	Southern Nevada
✍ Attic/Ceiling	R38	R30
✍ Walls	R19; R21 (Lake Tahoe)	R15
✍ Band Joists	R19; R21 (Lake Tahoe)	R15
✍ Floors Over Crawl Spaces	R19	R15
✍ Slab Foundations	R10 Perimeter Insulation	R5 Perimeter Insulation
✍ Windows	U-Factor 0.36; SHGC 0.45	U-Factor 0.36; SHGC 0.40
✍ Air Infiltration	0.35 average natural air changes/hour	
Other Requirements: ✍ Windows - All units must have dual-paned spectrally specific low-e windows designed for warm climate zones. For Clark County projects, all sun struck[12] exposure windows must have solar screens unless dual-paned spectrally specific low-e windows are installed.		

3) Appliances
- ✍ All new or replacement appliances including refrigerator, dishwasher, clothes washer, and room air conditioners must be EnergyStar rated.

- ✍ All laundry facilities must have appliances that are EnergyStar rated.

4) Hot Water Conservation
- ✍ Showerheads: Use 2.5 gallons per minute or less

- ✍ Faucets: Use 2.5 gallons per minute or less

5) Roofing
- ✍ Roofing systems must have minimum 40-year composition roofs, standard concrete tile, or .30 sheet metal.

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[12] 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.

B. Energy Efficiency Requirements - New Construction Projects

1) Energy Efficiency Standard. The project must have an overall energy efficiency rating of at least eighty-six [86] as measured by the Architectural Energy Corporation's REM-Rate Index. This standard is equivalent to EPA's "Energy Star" level of efficiency. The REM Rate Index is a relative measurement of the energy efficiency of a residential building.

2) Pre-Construction Energy Audits. All projects must undergo a Pre-Construction Energy Audits. The Pre-Construction Energy Audit will be completed using building plans and specifications. The information required to complete the Pre-Construction Energy Audit is referenced in **ATTACHMENT D**.

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

   To complete the Pre-Construction Energy Audit the Project Sponsor must contact the Division to request/schedule the required energy audit. The Division will contract with a qualified residential energy auditing company to perform a Pre-Construction Energy Audit of the proposed project. The costs of the Energy Audit will be $ 250.00 per unit with a minimum of 15% of the project being subject to the Energy Audit. The costs for the Pre-Construction Energy Audit will be paid separately with the application fees listed in Section 45 of the 2005 QAP.

   The output from the Pre-Construction Energy Audit must include the Division's Summary of Energy Saving Recommendations form that lists the most cost-effective energy saving measures for achieving the prescribed energy efficiency standard. A copy of the list of recommended energy saving measures must be provided to the Division. Installation of the recommended energy saving measures is the responsibility of the Project Sponsor and will be monitored by the Division.

3) Interim Energy Audits and Inspections During Project Construction. The Division will perform interim energy audits and inspections of a selected sample of residential units during project construction. Sample testing will not be less than 15% of proposed units.

   Project Sponsor/Project Sponsor are required to provide the Division with reasonable access to perform interim energy audits and inspections. The Interim energy audits and inspections will be performed (i) after ceiling and wall insulation is installed and prior to installing dry wall and (ii) after building duct systems are installed and prior to enclosing duct work. **The Division will conduct energy audits and inspections within ten days of receiving notice from the Project Sponsor of the project readiness.**

   The interim energy audits and inspections performed by the Division will include:

   a. Physical inspection of ceiling, wall and floor insulations
   b. Duct-Blaster tests to measure air leakage of duct systems

4) Final Energy Audits and Inspections. The Division will perform a final energy audit and inspection of the project at the completion of project construction to determine whether or not the project achieves the energy efficiency standard and requirements specified in this section. A final energy audit will be performed 60 days prior to project completion.

   The Final energy audits and inspections performed by the Division will include:
   a. REM-rate energy audit to determine the overall energy efficiency of the project and inspection of ceiling, wall and floor insulations
   b. Blower-Door test to determine unit air leakage within residential units
   c. Physical inspection of buildings and units to determine whether the energy efficiency measures identified in the Pre-construction energy audit have been installed

5) Remediation. In cases where the Division's post-construction energy audits determine that the REM Rate measurement is less than the required energy efficiency standard prescribed in this section, the Project Sponsor will be provided an opportunity to make improvements and enhancements to achieve the energy efficiency standard.

C. Energy Requirements - Acquisition/Rehabilitation Projects

1) Energy Efficiency Standard. The project must have an overall energy efficiency rating of at least eighty-six [86] as measured by the Architectural Energy Corporation's REM-Rate Index. This standard is equivalent to EPA's "Energy Star" level of efficiency. The REM Rate Index is a relative measurement of the energy efficiency of a residential building.

2) Pre-Rehabilitation Energy Audits. All projects must undergo a Pre-Construction Energy Audits. The Pre-Construction Energy Audit will be completed on the existing building. The information required to complete the Pre-Construction Energy Audit is referenced in **ATTACHMENT D**. In addition, Project Sponsors undertaking acquisition/rehabilitation projects must provide a list of planned energy conservation related expenses by component category as part of the Capital Needs Assessment. The format for itemizing planned expenses by component category is available in **ATTACHMENT C**.

   The Pre-Construction Energy Audit must be completed at the time of application.

   To complete the Pre-Construction Energy Audit the Project Sponsor must contact the Division to request/schedule the required energy audit. The Division will contract with a qualified residential energy auditing company to perform a Pre-Construction Energy Audit of the proposed project. The costs of the Energy Audit will be $ 250.00 per unit with a minimum of 15% of the project being subject to the Energy Audit. The costs for the Pre-Construction Energy Audit will be paid separately with the application fees listed in Section 45 of the 2005 QAP.

   The output from the Pre-Construction Energy Audit must include the Division's Summary of Energy Saving recommendations form listing the most cost-effective energy saving measures for achieving a REM-rate index score of 86. Installation of the of the energy saving measures listed on the form is mandatory for rehabilitation projects. A copy of the Division's Summary of Energy Saving recommendations form with the recommended energy saving measures must be provided to the Division.

Installation of the energy saving measures is the responsibility of the Project Sponsor and will be monitored by the Division.

3) Interim Energy Audits and Inspections During Project Rehabilitation. The Division will perform interim energy audits and inspections of a selected sample of residential units during project construction. Sample testing will not be less than 15% of proposed units.

   Project Sponsor/Project Sponsor are required to provide the Division with reasonable access to perform interim energy audits and inspections. The Interim energy audits and inspections will be performed (i) after ceiling and wall insulation is installed and prior to installing dry wall and (ii) after building duct systems are installed and prior to enclosing duct work. **The Division will conduct energy audits and inspections within ten days of receiving notice from the Project Sponsor of the project readiness.**

   The interim energy audits and inspections performed by the Division will include:
   a. Physical inspection of ceiling, wall and floor insulations
   b. Duct-Blaster tests to measure air leakage of duct systems.

4) Final Energy Audits and Inspections. The Division will perform a final energy audit and inspection of the project at the completion of project construction to determine whether or not the project achieves the energy efficiency standard and requirements specified in this section. A final energy audit will be performed 60 days prior to project completion.

   The Final energy audits and inspections performed by the Division will include:
   a. REM-rate energy audit to determine the overall energy efficiency of the project and inspection of ceiling, wall and floor insulations
   b. Blower-Door test to determine unit air leakage within residential units
   c. Physical inspection of buildings and units to determine whether the energy efficiency measures identified in the Pre-construction energy audit have been installed.

5) Remediation. In cases where the Division’s post-construction energy audits determine that the REM Rate measurement is less than the required energy efficiency standard prescribed in this section, the Project Sponsor will be provided an opportunity to make improvements and enhancements to achieve the energy efficiency standard.

Section 14 Mandatory Fair Housing and Accessibility Requirements

The project <u>must</u> comply with federal fair housing laws, regulations and design requirements for handicapped accessibility including standards specified by the Americans with Disabilities Act (ADA) and Section 504 where applicable. The Project Sponsor is responsible for ensuring that the completed project meet all federal fair housing laws, regulations and design requirements.

A. <u>Safe Harbors</u>

The United States Department of Justice and 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 project must meet one of the seven Safe Harbors (listed below). The Project Sponsor must provide a written declaration to the Division stating which Safe Harbor the project will fall under. The safe harbors are:

1) HUD's March 6, 1991 Fair Housing Accessibility Guidelines (Guidelines) and the June 28, 1994 Supplemental Notice to Fair Housing Accessibility Guidelines
2) HUD's Fair Housing Act Accessibility Design Manual
3) ANSI A117.1-1986 *
4) CABO/ANSI A117.1-1992 *
5) ICC/ANSI A117.1-1998 *
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.

**Building Code must be used in conjunction with the Fair Housing Act and HUD's Regulations/ Guidelines*

Additional information on the Safe Harbors is available in **<u>ATTACHMENT E</u>**.

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, Project Sponsors should consult with appropriate 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.

B. <u>Recommended Fair Housing Accessibility Training</u>

The Division has requested the Fair Housing Accessibility First Group to provide a training program for Project Sponsors in Nevada on compliance with federal accessibility requirements. The Division requires that appropriate representatives of the project development team attend the training provided on accessible design standards. Appropriate representatives include persons integrally involved in the design and construction of the project (e.g. architects, engineers, and contractors).

Section 15 Project Amenity Requirements

A. Amenities for Projects Serving Individuals and Families With Children

New Construction Projects With 50 or More Units

1) Community areas with a minimum of 500 sq. ft. to combine 32-inch color TV, entertainment system (stereo, DVD, VHS and PlayStation or similar type product), set of sofas or sofa/loveseat, two lounge chairs, end or coffee tables, carpeting and/or ceramic tile, and facilities to prepare and serve food that includes a counter area, refrigerator, microwave oven, sink, garbage disposal that are EnergyStar rated, with resilient and/or ceramic tile floor.
2) Washer and dryer hookup in each unit or on-site laundry facilities with a minimum of one are EnergyStar rated washer and dryer for every 10 units of housing.
3) Equipped playground that includes a Powerscape, GameTime, or equivalent play set, a tot lot in a softball aggregate, or equivalent site of at least 1000 sq. ft..

New Construction Projects With Less Than 50 Units

4) Equipped playground that includes a Powerscape, GameTime, or equivalent play set, a tot lot in a softball aggregate, or equivalent site of at least 500 sq. ft..

B. Project Amenities for Elderly Housing

1) Community areas with a minimum of 500 sq. ft. to combine 32-inch color TV, entertainment system (a stereo system, DVD or VHS system), set of sofas or sofa/loveseat, two lounge chairs, end or coffee tables, carpeting and/or ceramic tile, and facilities to prepare and serve food that includes a counter area, refrigerator, microwave oven, sink, garbage disposal that are EnergyStar rated, with resilient and/or ceramic tile floor.

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

3) Handrails and related hardware (hand rails, grab bars, and lever handled hardware for doors) compliant with the Fair Housing Act and ADA.

3) Elevator (if more than one floor).

C. Project Amenities for Tenant Ownership Housing

1) Minimum of two-bedroom units with an average of 1,200 sq. ft. of residential area per unit excluding garages, outdoor patios, etc, but not less than 1,000 sq. ft. of residential area or minimum allowed per local zoning.

2) Minimum of 5,000 sq. ft. lot or the minimum allowed per local zoning.

3) Washer and dryer hookup in each unit.

4) Minimum of one car attached garage.

D. Project Amenities for Acquisition/Rehab/Conversion/Change of Use

Acquisition/Rehabilitation Projects With 50 or More Units

1) Community area(s) with a minimum of 500 sq. ft.. The design and amenities in the community area should be suited to the project type. For rehabilitation projects serving special needs housing populations, the community area should be appropriate to the delivery of supportive service provided to residents. For rehabilitation projects serving individuals, families with children, and elderly populations the community area and amenities should be similar to those provided to family and elderly housing.

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

E. Project Amenities for All Other Housing

1) Community area(s) with a minimum of 500 sq. ft.. The design and amenities in the community area should be suited to the project type. For assisted living and special needs housing projects the community area should be appropriate to the delivery of supportive service provided to residents. For mixed income projects, the community area and amenities should be similar to those provided to family and elderly housing.

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

PROJECT SCORING

Section 16 Preference Point Scoring Categories

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

A. Standard Scoring Factors

Standard Scoring Factors in sections 17 – 24 reflect the Division's housing development priorities for 205. All applications will be independently scored for each of the 8 (eight) Standard Scoring Factors. **Maximum Points: 50.**

B. Project Type Priorities

Project Type Priorities in sections 25 – 30 reflect the Division's housing type priorities for 2005. Applications will be grouped according to project type within each set-aside and geographic sub-account and compete for the points available for the project type. The three highest-scoring projects will be awarded points. The application with the highest score will receive the maximum points available to the project type. The application with the second highest score will receive one-half of the available points. The application with the third highest score will receive one point. In the event of a tie the points will be divided. **Maximum Points: 20.**

C. Special Scoring Factors

Special Scoring Factors in sections 31 – 36 reflect additional policy objectives set by the Division for the 2005 QAP. All applications will be independently scored for each of the 5 (five) Special Scoring Factors. **Maximum Points: 55.**

The 2005 QAP enables applicants to self-score applications in two of the three scoring categories. The points in the self-scoring categories represent 89% of the total points available for Family, Elderly, Tenant Ownership, and Mixed Income projects; 84% of the total points available for Special Needs Housing projects; and 76% of the points available for Assisted Living projects. Accordingly, most applicants will have a near-complete picture of their score at the time they submit their application. **A project scoring sheet is available in ATTACHMENT E.**

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

Tax Credit reservations will be based solely on high score.

Standard Scoring Factors

Section 17 Project Location

Two (2) preference points will be awarded if the project meets any of the following project location criteria:

RATING FACTORS (Select One)	PTS
a) Project is located in a Qualified Census Tract and contributes to a comprehensive community revitalization plan	
b) Project is located in a non-CDBG eligible census tract	
c) Project is part of a Redevelopment Project Area as defined in NRS 279.412	
d) Project is located in a locally-designated priority development area	
e) Project involves the acquisition and rehabilitation of housing and is in an area covered by a state or local revitalization plan/strategy targeting the rehabilitation of existing housing	
f) Property involves the acquisition and rehabilitation of an at-risk property listed in the National Housing Trust Publication	
MAXIMUM LOCATION PREFERENCE POINTS	**2**

Projects claiming preference points under a-f above require certification from the local jurisdiction/government agency stating that the project is located in an area that qualifies for preference points. *See* NAC 319.989

Section 18 Project Readiness

A maximum of nine (9) preference points will be awarded for achieving the following project development milestones. Documentation must be submitted to verify their completion of each milestone to the satisfaction of the Division:

RATING FACTORS	PTS
a) Ownership of the land secured	2
b) Option to purchase land or a signed long-term lease	1
c) Proper zoning of the site obtained	3
d) Soil testing completed	1
e) Phase I environmental study completed	2
f) Partnership documents filed with the State of Nevada's Secretary of State	1

MAXIMUM PROJECT READINESS PREFERENCE POINTS	9

Section 19 Additional Project Amenities[13]

A maximum of fifteen (15) preference points will be awarded for the following projects and tenant amenities:

	RATING FACTORS	PTS
	Project Amenities – *Development has:*	
a)	Elevators (Does Not Apply To Elderly Projects With 2 or More Floors and Tenant Ownerships Projects)	3
b)	Picnic area equipped with a minimum of three charcoal barbecue units and three 6' picnic tables with benches on separate concrete slabs no less than 200 sq. ft. evenly distributed throughout the project (Does Not Apply to Tenant Ownership projects)	3
c)	Swimming or lap pool (Does Not Apply to Tenant Ownership projects)	3
d)	Kiddy pool that purifies and recycles water at a minimum four spray positions. Each position must have individual timer for water spray, a 20 x 20 concrete area with drain, minimum five-foot rod iron high fence with gate that locks. The 20 x 20 concrete area shall have a Cool Deck type of surface. The water must recycle. (Applies To Family Rental and Tenant Ownership Projects Only)	3
e)	In-ground spa that is a minimum of eight foot in diameter with seven jets, booster pump, blower, 20-minute timer, and 300,000 btu heater	2
f)	Equipped weight/exercise room that is a minimum 250 sq. ft. and has at least three exercise machines (Does Not Apply To Tenant Ownership Projects)	2
g)	Computer/study room with full Internet access that is a minimum of 250 sq. ft. and is equipped with at least one computer for every 20 units (Computers specification must meet or exceed 1.8 GHzv Intel Pentium 4 Processor, 128 MB. DDR SDRAM, 20 GB Hard Drive, 15-in. Monitor, 32 MB Graphics card, 48X Max CD ROM, Microsoft Windows).	2
h)	Exterior lighting with fluorescent dusk-to-dawn fixtures illuminating walking paths to entrances to residential unit	2
	Tennant Unit Amenities – *Each Unit has*:	
i)	Picnic area equipped with one charcoal unit and 6' picnic table with benches on 64 sq. ft. concrete slab or in patio area (Applies To Tenant Ownership Projects Only)	3
j)	Covered patio area on concrete slab w/ roof that is a minimum of 64 sq. ft. (Applies To Tenant Ownership Projects Only) or Patio or balcony area that is a minimum of 48 sq. ft. (Applies To All Other Projects Types)	2
k)	Attached two-car garage (Applies To Tenant Ownership Projects Only) or Covered parking space (Applies To All Other Projects Types)	2
l)	Air conditioner or swamp cooler (Does not apply to projects in Clark, Esmeralda, Lincoln, and the southern Nye)	2
m)	Enclosed exterior wood-framed storage structure that is a minimum of 24 sq. ft. floor	2
n)	Infrastructure and hook-up for Broad-band internet connection	2
o)	Ceiling fans, including a minimum of one fan in the living area and one fan in the master bedroom	1
	MAXIMUM AMENITIES PREFERENCE POINTS	**20**

[13] The Division reserves the right to award points to other comparable project amenities appropriate to the particular project. However, the overall total points may not exceed twenty (20). Request for the approval of other comparable project amenities must be received prior to the submission of the application and must be described and incorporated in the project application.

Section 20 Nevada Based Applicant

Ten (10) preference points will be awarded to projects if the Project Sponsor based in Nevada. To be deemed as based in Nevada, a Project Sponsor that is a natural person must be a resident of Nevada. If the Project Sponsor is a limited partnership, at least one of the general partners must meet the criteria below:

RATING FACTORS	PTS
a) Applicant is 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) Applicant maintains 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) Applicant maintains sufficient staff at in-State office 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 Project Sponsor's Nevada office.

Section 21 Nevada Based Projects by Out of State Based Applicants

A maximum of five (5) preference points will be awarded to out of state applicants if the following criteria are met:

RATING FACTORS	PTS
a) Threshold Requirements: - The Project Sponsor has successful developed projects in Nevada within the past 10 years. - The Project Sponsor 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. - The applicant does not have any unresolved compliance findings on multi-family projects in Nevada.	
b) One point will be given for each successful project in Nevada up to the maximum of 5 points.	
MAXIMUM OUT OF STATE PREFERENCE POINTS	**5**

Section 22 Affordability Period

A maximum of four (4) preference points will be awarded to applications that extend the period of affordability beyond the required 30 years. Applications will receive one preference point for each additional 5-year period of affordability, not to exceed 50 years.

RATING FACTOR	PTS
a) One point for each 5 years of extended affordability.	
MAXIMUM AFFORDABILITY PERIOD 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 23 Water Efficiency of Landscape Design

Five (5) preference points will be awarded to projects that have at least 75% desert and/or xeriscaped landscaping. The Project Sponsor must submit verification from a architect/landscape architect that the project satisfies the rating factor.

RATING FACTOR	PTS
a) 75 percent desert and/or xeriscaped landscaping	
MAXIMUM LANDSCAPE DESIGN PREFERENCE POINTS	**5**

Section 24 Negative Compliance Findings

The Division will subtract up to twenty (20) preference points if at the time of application the Project Sponsor has unresolved negative compliance findings for active Tax Credit projects in Nevada. Negative Compliance Findings refer to specific conclusions made by the Division's Compliance Officers during compliance monitoring reviews that the housing project is in material non-compliance with specific programmatic and regulatory requirements. For the purpose of this section, only Negative Compliance Findings that are: (i) outstanding at the end of the correction period and (ii) reported to the IRS on IRS Form 8823 will be considered.

RATING FACTORS	PTS
a. One point subtracted for each unresolved compliance finding reported on IRS Form 8823. *Project Sponsors with more than 20 unresolved compliance findings will not be considered for funding.*	
MAXIMUM POINT REDUCTIONS FOR NEGATIVE COMPLIANCE FINDINGS	**(-20)**

Project Type Priorities

The Division will award preference points for each of the project categories specified in Section 9 at the time of application review. Preference points may be claimed for only one project category.

Sections 25-30 below describe the ranking factors applicable to each project type. The application within each project-type category scoring within each set-aside and geographic sub-account 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 for each set-aside and geographic sub-account. Projects with no competing applications in the same geographic or specific set-aside in Sections 20-26 will receive the maximum point allowance by project type.

Section 25 Preference Points for Projects for Individuals/Families with Children

Maximum Points: 15.

Projects for Individuals/Families with Children will be ranked based on the number amenities listed in Section 19 included in the project. In the event that two or more projects within this project type category have the same number of amenities, the Division will break the tie by determining which proposal leverages the greatest level of non Tax Credit funding.

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

The application with the highest overall amenities in the project will receive 15 points, the second highest scoring project will receive 7.5 points, and the third highest scoring project will 1 point.

Section 26 Preference Points for Senior Projects Age 55 Years and Older

Maximum Points: 10.

Senior Projects for persons Age 55 Years and Older will be ranked based on the average unit size in the project. 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 per unit square footage will receive 10 points, the second highest scoring project will receive 5 points, and the third highest scoring project will receive 1 point.

Section 27 Preference Points for Special Needs Projects
Maximum Points: 20.
Projects for persons with Special Housing Needs will be ranked based on the experience of the Project Sponsor/general partner in developing special needs housing and/or delivering the services relating to the special need. The Project Sponsor must 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. The Project Sponsor must have a minimum of three years experience verified by a dated document, such as the articles of incorporation, showing the number of years the organization has provided the service.

Applications will be ranked based on the following factors
(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

The highest score as calculated above will receive 20 points, the second highest score will receive 10 points, and the third highest score will receive 1 point.

Section 28 Preference Points for Mixed-Income/ Mixed Use Projects
Maximum Points: 10.
Mixed-Income Projects will be ranked based on the percentage of market-rate units in the project that exceed 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.

Mixed Use Projects will be ranked based on the number amenities listed in Section 19 included in the project. In the event that two or more projects within this project type category have the same number of amenities, the Division will break the tie by determining which proposal leverages the greatest level of non Tax Credit funding.

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

The application with the highest overall amenities in the project will receive 10 points, the second highest scoring project will receive 5 points, and the third highest scoring project will receive 1 point.

Section 29 Preference Points for Projects for Promoting Eventual Tenant Ownership
Maximum Points: 10.
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.

Section 30 Preference Points for Acquisition/Rehab, Conversion or Change of Use Projects
Maximum Points: 10.
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 10.G.).

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 1 point.

Special Scoring Factors

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

Sections 31 – 36 describe how preference points will be awarded to achieve these goals.

Section 31 Preference Points for Low Rent

A maximum of ten (10) preference points will be awarded 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

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

Section 32 Preference Points for Low Income Targeting

A maximum of ten (10) preference points will be awarded 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

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

Section 33 Preference Points for Supportive Services

A maximum of ten (10) preference points will be awarded based on the number of supportive services provided to tenants. 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.

The Project Sponsor must document how the service will be provided and paid, including copies of agreements with community-based organizations for providing the service. The service must be available to all tenant families 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.

A CPA must make a determination that on-site commercial and/or health care activities will not have an adverse affect on the project's eligible basis. The Project Sponsor 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. The Project Sponsor must notify the Division within seven (7) days of the termination of service agreements/contracts. The project will be considered out of compliance if there is no new service contract executed by the time the development is audited.

The 2005 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 (on-site) 1 (off-site)
B. Providing health care services on-site or linked with a local health care provider.	2 (on-site) 1 (off-site)
C. Providing job-training programs on-site or linked with a local training center.	2 (on-site) 1 (off-site)
D. Providing one prepared meal on a daily basis available to all tenants	2
E. Transportation services	3
F. Computer literacy training made available to all tenants	1
G. Personal finance training; that includes money management, credit counseling and personal budgeting.	1
Maximum Supportive Services Preference points available	**10**

The Division reserves the right to award preference points for other supportive services upon request by the Project Sponsor and approval of the proposed service plan by the Division. However, the overall total may not exceed ten (10). The approval must be received prior to the submission of the application.

Section 34 Preference Points for Lowest Developer Fee

A maximum of five (5) preference points will be awarded to applications with developer fees below 15% of the ELIGIBLE BASIS. Preference points will be awarded on a basis of 1 point for each 1% reduction in developer fee up to a maximum of 5 points.

The developer fee must not exceed 15% of the ELIGIBLE BASIS of the project excluding the developer's fee. The fee includes profit and overhead of the developer, in addition to fees for consultants/processing agents. The developer fee for projects in QCTs/DDAs may include the adjusted Eligible Basis amount. The cost certification must reflect the developer fee disclosed within the original application and may not be changed for any reason.

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

Section 35 Preference Points for Lowest Contractor Fee

A maximum of five (5) preference points will be awarded to applications with contractor fees below 14% of the total cost of construction. Preference points will be awarded on a basis of 1 point for each 1% reduction in contractor fee up to a maximum of 5 points.

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

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

Section 36 Special Developments Private Public Partnerships

A maximum of fifteen (15) preference points will be awarded based the level of additional resources and funding leveraged by Tax Credits. The three factors below must be met to receive the preference points. Additional contributions may include land donations and funding commitments made by local governments, non-profit organizations, and private businesses.

Rating Criteria Supportive Services Provided	**PTS**
1) A donation of land from a governmental unit (federal, state or local) or a parcel of land transferred at a nominal cost from a governmental unit (federal, state or local) or a long-term lease of at least 50 years provided to the developer at a nominal cost from a governmental unit (federal, state or local)	
2) Combined contributions from governmental, non-profit, and private sources for the development of the Tax Credit Project that meet or exceed 25 percent of the total project costs.	
3) Tax Credit Equity must meet or exceed 60 percent of the total project cost.	
Maximum Public/Private Preference points available	**15**

Section 37 Tie Breakers

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

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

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

PROJECT DEVELOPMENT INFORMATION

Section 38 Maximum 2005 Per Unit Development Cost

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

The Division will not allocate Tax Credits for eligible basis costs that are in excess of HUD's Section 221(d)(3) per-unit cost limits plus the per unit developer fee proposed for the project. If a project's per unit eligible basis exceeds the amounts listed below plus the per unit developer fee the Project Sponsor must provide documentation to the division that the project is financially feasible. The HUD 221(d)(3) limit are shown in the table below: [14]

Area	Base Limits	South Lake Tahoe	Las Vegas Clark Co	Reno, Sparks, Carson City	Lincoln County	Nye County	All other Areas
High Cost Factor		1.94	1.87	1.95	1.69	1.59	1.72
Non Elevator							
0 bdrm	$42,980	$83,381	$80,373	$83,811	$72,636	$68,338	$73,926
1 bdrm	$49,557	$96,141	$92,672	$96,636	$83,751	$78,796	$85,238
2 bdrm	$59,766	$115,946	$111,762	$116,544	$101,005	$95,028	$102,798
3 bdrm	$76,501	$148,412	$143,057	$149,177	$129,287	$121,637	$131,582
4 bdrm	$85,225	$165,337	$159,371	$166,189	$144,030	$135,508	$146,587
Elevator							
0 bdrm	$45,232	$87,750	$84,584	$88,202	$76,442	$71,919	$77,799
1 bdrm	$51,849	$100,587	$96,958	$101,106	$87,625	$82,440	$89,180
2 bdrm	$63,049	$122,315	$117,902	$122,946	$106,553	$100,248	$108,444
3 bdrm	$81,563	$158,232	$152,523	$159,048	$137,841	$129,685	$140,288
4 bdrm	$89,531	$173,690	$167,423	$174,585	$151,307	$142,354	$153,993

[14] Table of Basis & Maximum Statutory Mortgage Limits. National Housing Act. April 2, 2004.
Refer to HUD website: http://www.hud.gov/offices/hsg/mfh/hicost/stats02.pdf

The 221(d)3 limits shown are effective after January 1, 2004. The table reflects an increase to the High Cost Percentage multiplier for Reno metropolitan area, pursuant to HUD guidelines. The 221(d)(3) limits for other geographic areas reflects the High Cost percentage multipliers used by HUD in 2002 and contained in the 2004 QAP.

Special Notes For Using Table:

(a) The Division is seeking clarification of the High Cost Percentage multipliers applicable to Nevada.

(b) The 2005 QAP will use HUD's Section 221(d)(3) per unit limits for 2005. The amounts shown in the table will be amended when the 221(d)3 limits are updated by HUD. In the event that the HUD Section 221(d)(3) per unit cost limits for 2005 are lower than the amounts shown above, the per unit costs listed for 2005 may be increased by a maximum of 15 percent at the discretion of Division staff if requested by the Project Sponsor and evidenced by supporting documentation.

Section 39 Operating Expenses

Project operating expenses between $200.00-$300.00 per unit/per month are typical for projects in Nevada and considered acceptable by the Division. Applications for projects with operating expenses outside this range must include an explanation of why the expenses are higher or lower. The Division reserves the right to adjust Tax Credits on projects with operating expenses greater than the $200.00 to $300.00 range.
See NAC 319.987.

Section 40 Estimation of Utility Allowance

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

Section 41 Adjustments to Eligible Basis for Projects Located in Qualified Census Tract and Difficult to Develop Areas

Project Sponsors with projects located in a Qualified Census Tract (QCT) or in a Difficult to Develop Area (DDA) are authorized to utilize 130% of eligible basis as a factor in determining the adjusted eligible basis.

The determination of whether a project is in a QCT or DDA is made at the time of application. Subsequent changes in federal designations of QCTs or DDAs after the application is approved will not affect the project.

A. <u>2004 IRC Section 42(d)(5)(C) Metropolitan Qualified Census Tracts</u>

1) <u>Las Vegas Metropolitan Area</u>: 3.01; 3.02; 4.00; 5.03; 5.04; 5.11; 5.14; 6.00; 7.00; 8.00; 9.00; 11.00; 22.01; 22.04; 24.04; 24.05; 26.01; 34.25; 38.00; 43.00; 44.00; 46.00; 47.03; 47.07; 47.08; 47.09; 47.10; and 47.13.

2) <u>Reno/Sparks Metropolitan Area</u>: 1.00; 9.00; 18.00; 19.0; and 22.03.

B. <u>2004 IRC Section 42(d)(5)(C) Non-Metropolitan Qualified Census Tracts</u>

1) <u>Elko County</u> - 9403.00

2) <u>Mineral County</u> - 9402.00

C. <u>2004 IRC Section 42(d)(5)(C) Metropolitan Difficult To Develop Areas</u>

✍ No areas listed.

D. <u>2004 IRC Section 42(d)(5)(C) Non-Metropolitan Difficult To Develop Areas</u>

Qualifying Nevada Counties:

Carson City	Churchill	Douglas	Esmeralda
Humboldt	Lincoln	Lyon	Mineral
Pershing	White Pine		

Any changes to QCT and DDA designations subsequently made by HUD that are applicable to the 2005 Tax Credit application period will be incorporated in the 2005 QAP following publication in the *<u>Federal Register</u>*. *See* NAC 319.991

Section 42 Maximum Amount of Tax Credits Awarded

A. Project Cap

The Division has elected to limit the amount of tax credits a project may receive under the 2005 plan to $750,000.00. Application for Tax Credits in excess of $750,000.00 will be rejected. The Division will accept applications that request Tax Credits for more than one sub-account, as long as the total amount of Tax Credits requested does not exceed the maximum limit. The Division reserves the right to award more than $750,000.00 of Tax Credits to projects financed by the Tax Exempt Bond Program, if the project complies with all of the Division's policies, procedures and all State and federal regulations and laws.
See NAC 319.992.

B. Multiple Project Phases

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 Sponsor 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 Sponsor may receive the maximum Tax Credits for the new phase. 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.

C. Tax Credit Return

The Project Sponsor may voluntarily return Tax Credit awards before the notification of the carryover allocation. For the purposes of this section, **the carryover allocation notice for Nevada 2005 Tax Credit project will be November 1, 2005.**

If the Project Sponsor decides to return the Tax Credits on or before the date specified in this section, the return will be considered voluntary.

If a project receives a carryover allocation and the Project Sponsor returns the Tax Credit after the date specified in this section, the return will be considered involuntary. *See* NAC 319.972. In such cases, the Project Sponsor will be barred from participating in future Tax Credit funding rounds in Nevada for the remainder of the 2005 Tax Credit Year and the subsequent Tax Credit year.

Section 43 Final Allocation of Tax Credits

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

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

1. Final allocation application.
2. CPA certification of costs. The Division will consider the initial CPA Certification of Costs as the true and correct document for the issuance of IRS Form 8609.
3. Final Energy Audit and Inspection. The final energy audit/inspection must show that all of the energy saving measures identified in the Pre-energy audit have been installed.
4. Pre 8609 inspection by Division. The inspection will include a review of proposed unit mix and amenities in the application and completeness of constriction.
5. Comply with Section 42 (Lease up Requirements).
6. Letter certifying permanent financing is in place.
7. Letter acknowledging project has met ADA and Fair Housing accessibility design standards.
8. The CPA cost breakdown must be submitted in a manner that is consistent with data input to the Division's Tax Credit software (Application Orientation Design/AOD System). Forms will be attached to the Final Allocation Application.

Section 44 Tax Credit Monitoring

As of July 1, 2001, all compliance monitoring will require habitability inspection as per Treasury (IRS) Regulation 1.42.5. The Division has adopted the Uniform Physical Condition Standards established by HUD as the applicable standard for conducting physical inspections and determining compliance with IRS habitability requirements.

Section 45 Fees

All fees paid to the Division are non-refundable.

A. Application Fee
The application fee is $1,250.00

B. Re-submission Fee
An additional fee of $1,000.00 will be required if the application has been withdrawn or rejected during the previous allocation round, or if the Project Sponsor desires to make any material changes to the application. 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 Sponsor have the option of paying 1.8% of the credit amount at the time of reservation and the balance of 5% no later than six months after the date of reservation.

The reservation fee is due upon receipt of the reservation letter **and must be paid on or before June 30, 2005**. *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 Sponsor's federal tax identification number must be supplied at the time the carryover commitment is requested.

E. Compliance Monitoring Fee

An annual fee of $25.00 for each low-income unit will be charged during the compliance period. The first annual Compliance Monitoring Fee is due and payable when the project is placed in service. Thereafter, annual Compliance Monitoring Fees must be paid on or before January 31 of each year for the remaining compliance period including any extended use period.

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 $50.00 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 annual training sessions will be announced once a date and site are determined.

G. Compliance Monitoring Fee for Second Audit

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

H. Legal Fees
If the Project Sponsor requests a change or decision that requires the Division to obtain legal advice beyond the normal guidance provided by the Division Counsel, the Project Sponsor will be billed for the legal service at a rate of $475.00 per hour. Legal fees must be paid if the Division's Counsel or Tax Counsel performs legal work that requires more than one (1) hour of time.

I. Energy Audit Fees
The 2005 QAP requires Project Sponsors to comply with the Division Energy Efficiency Requirements. Sponsors are required to meet Pre and Post Construction Energy Audits for new construction or rehabilitation projects. The Energy Audits are contracted by the Division with an independent certified energy-auditing contractor. The Project Sponsor will reimburse the Division the costs of the Energy Audit at a rate of $250.00 a unit with a minimum of 15% of the project being subject to the Energy Audit. The Energy Audit fee is Northern Nevada project will be assessed mileage and per diem charges at the state rate. If additional test is required fees will be due at the time of the re testing.

Section 46 Debarred List

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

Section 47 Lease-up Requirement

Effective January 1, 2002, all Project Sponsors 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 Project Sponsors and on-site property managers regarding the long-term compliance of the property with Section 42 of the IRS Code. The Division will review the State's Tax Credit Compliance Manual with project management and discuss the Division's compliance requirements and project management responsibilities. This orientation is mandatory. Failure to contact the Division as specified above will result in a delay of the Division's issuance of IRS form(s) 8609.

Section 48 Waiver of Annual Income Re-certification

Under IRS rules (Section 42(g) (8) (B)), if a LIHTC project consists entirely of 100 percent low income buildings – buildings occupied by qualified low-income tenants – the Project Sponsor may request a waiver of the requirement annual re-certifications of tenant incomes This section of the manual describes the procedure for requesting a waiver from the IRS requirement for annual re-certifications of tenant incomes.

A. <u>Procedure for Requesting Tenant Income Re-Certification Waiver</u>
A Project Sponsors applying for the waiver for its 100 percent low-income building must:

a) Complete and sign the applicable portions of IRS Form 8877, *Request for Waiver of Annual Re-certification Requirement for the Low-Income Housing Credi*t.
b) Submit IRS Form 8877 to the Division for signature by the Division's Administration or authorized representative.
c) File IRS Form with the Service pursuant to the instructions accompanying the form.

The IRS will notify the Project Sponsor whether the request for the Re-certification waiver has been approved or denied.

B. <u>Limited Reporting Requirements for Waiver Recipients</u>
If the Project Sponsor obtains a waiver of the annual income re-certification requirements from the IRS, the Project Sponsor is exempt from the re-certification requirements under IRS regulations § 1.42–5(b)(1)(vi) and (vii) and § 1.42–5(c)(1)(iii) and is <u>not</u> required under those sections to:

a) Keep records that show an annual income re-certification of all the low-income tenants in the building who have previously had their annual income verified, documented, and certified;
b) Maintain third-party documentation to support that re-certification; or
c) Certify to the Division that it has received this information.

In lieu of re-certification, <u>Project Sponsors that receive a tenant income re-certification waiver must ensure that all tenants **annually** complete the NHD Form – **Alternate Certification [EXHIBIT Q]**</u>. The Alternate Certification must be dated and signed by the tenant(s) and the Project Sponsor's on-site representative, and the Project Sponsor must maintain a current Alternate Certification in each tenant file. The Division will review this documentation during the annual compliance reviews. A failure by the Project Sponsor to maintain properly completed, signed, and dated Alternate Certifications may result in the revocation of the tenant income re-certification waiver.

Section 49 Tax Exempt Bond Program

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

1) Final allocation application.

2) CPA certification of costs. The Division will consider the Initial CPA Certification of Costs as the true and correct document for the issuance of IRS Form 8609.

3) Final Energy Audit and Inspection. The final energy audit/inspection for new construction must have a REM Index Rating of 86 or higher. The final energy audit/inspection for rehabilitation projects must show that all of the energy saving measures identified in the Pre-energy audit have been properly installed.

4) Pre 8609 inspection by Division. The inspection will include a review of proposed unit mix and amenities in the application and completeness of constriction.

5) Comply with Section 42 (Lease up Requirements).

6) Letter certifying permanent financing is in place.

7) Letter acknowledging project has met ADA design standards.

8) The project must be in compliance with the Bond Regulatory Agreement.

9) Comply with the IRS Section 42 50% test.

10) The project must meet Eligible Project Category (Sec.9) requirements as outlined in the QAP.

11) The CPA cost breakdown must be submitted in a manner that is consistent with data input to the Division's Tax Credit software (Application Orientation Design/AOD System). Forms will be attached to the Final Allocation Application.

PUBLIC COMMENT PROCESS

Section 50 Public Comments, Distribution and Approval of QAP

In accordance with the Regulations, the Division scheduled and conducted public hearings on the draft 2005 QAP as follows:

A.	August 04, 2004 in Las Vegas, Nevada	Commencing at 9:00 a.m.
B.	August 10, 2004 in Reno, Nevada	Commencing at 9:00 a.m.
C.	August 11, 2004 in Elko, Nevada	Commencing at 9:00 a.m.

The commenting period on the initial draft of the 2005 QAP ended on August 23, 2004. Following the public hearing and end of the initial commenting period, the Division considered public comments on the initial draft of the 2005 QAP.

A second draft of the 2005 QAP incorporating changes proposed by the Division was completed on or about August 31, 2004. The Division has made notification of this draft prior to the final public hearing on the 2005 QAP in accordance with the requirements of NAC 319.971.

The Division's final public hearing on the 2005 QAP will be held in Carson City, Nevada and Las Vegas, Nevada on September 14, 2004 as part of the regularly scheduled quarterly Nevada Housing Division Advisory Board meeting. The meeting location and time will be provided in the Division's upcoming Advisory Committee meeting notice.

CONTACT INFORMATION

Section 51 Housing Division Offices

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Federal Program Supervisor Las Vegas
Extension 226

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Art Thurner
Chief of Federal Programs
Extension 224

ATTACHMENT A
CRITICAL HOUSING NEEDS

This attachment, is to be read in conjunction with Section 3 of the 2005 QAP, provides an overview of the critical housing needs identified within the Consolidated Plans produced by the State as well as various local governments.

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

Clark County (includes the county, Las Vegas, North Las Vegas, Henderson, Bolder City, and Mesquite)

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, and Sparks)

Summary of Washoe County Housing and Community Needs

1. Use 70 % of available housing assistance to affordable rental housing.

2. Encourage the State to change LIHTC allocation policies to facilitate development of mixed income projects.

3. Encourage regional efforts to prioritize projects for LIHTC allocation.

4. Work with developers for affordable and market rate projects.

5. Encourage affordable housing for under represented groups in last five years.

6. Encourage services for affordable housing residents.

<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 B – NEVADA HPOPULATION ESTIMATES
NEVADA HOUSING DIVISION
SELECTED HOUSING MARKET DATA FOR LAS VEGAS AND RENO/SPEAKS METROPOLITAN AREAS[15]

Reported Vacancies By Unit Type

Las Vegas Metropolitan Area			
Housing Size	**Number of Units In Sample**	**Vacancies By Unit Type**	**Vacancy Rate**
Single Room Occupancy	1,360	80	2.9%
Studio Apartments	6,525	346	5.3%
1 Bedroom Size	33,704	1,664	4.9%
2 Bedroom Size	50,322	2,399	4.8%
3 Bedroom Size	9,970	617	6.2%
4 Bedroom Size	194	13	6.7%

Reno/Sparks Metropolitan Area			
Housing Size	**Number of Units In Sample**	**Vacancies By Unit Type**	**Vacancy Rate**
Single Room Occupancy	721	19	2.6%
Studio Apartments	2,053	208	10.1%
1 Bedroom Size	6,703	276	4.1%
2 Bedroom Size	9,865	439	4.5%
3 Bedroom Size	1,375	110	8.0%
4 Bedroom Size	131	8	6.1%

[15] Source: Nevada Housing Division. NHD Apartment Facts, Second Quarter 2004. This publication is an annual publication of the Nevada Housing Division available at www.nvhousing.state.nv.us

Number of Housing Units and Vacancy Rates By Zip Code

Las Vegas Metropolitan Area		
Zip Code	Total Number of Apartment Units in Zip Code Area	Vacancy Rate By Zip Code
89005	291	2.1%
89012	3,188	4.8%
89014	7,469	4.4%
89015	2,188	4.2%
89030	2,294	8.3%
89031	1,738	2.5%
89032	1,566	17.5%
89036	248	2.4%
89052	2,252	7.0%
89074	1,102	2.0%
89101	6,929	6.2%
89102	8,522	4.7%
89103	9,908	5.1%
89104	4,944	6.6%
89106	2,811	5.6%
89107	2,838	5.3%
89108	7,023	4.9%
89109	14,067	5.8%
89110	3,229	2.6%
89113	1,073	5.0%
89115	6,361	5.9%
89117	9,568	3.0%
89118	3,707	5.0%
89119	11,936	5.3%
89120	1,705	1.4%
89121	8,163	5.1%
89122	3,089	4.0%
89123	6,696	6.3%
89128	3,778	6.6%
89129	2,214	6.8%
89130	1,393	2.0%
89131	272	3.3%
89134	288	na
89135	654	5.2%
89139	749	2.8%
89141	340	na
89142	1,744	2.1%
89144	722	4.7%
89145	548	7.5%
89146	2,940	5.4%
89147	3,317	6.3%
89148	1,348	5.6%
89156	780	5.9%

Number of Housing Units and Vacancy Rates By Zip Code

Reno/Sparks Metropolitan Area		
Zip Code	Total Number of Apartment Units in Zip Code Area	Vacancy Rate By Zip Code
89431	2,966	6.1%
89433	397	1.5%
89434	1,688	6.5%
89436	928	2.5%
89501	843	9.5%
89502	5,571	4.4%
89503	3,237	6.6%
89504	26	3.8%
89506	1,184	4.9%
89509	3,925	5.5%
89511	1,176	1.8%
89512	2,992	3.4%
89521	1,096	8.8%
89523	3,318	3.3%

ATTACHMENT C – PLANNED EXPENSES BY COMPONENT CATEGORY
(Acquisition Rehabilitation Projects Only)

Component Categories	# Of Buildings Affected	# Of Units Affected	Expected Total Cost
MECHANICAL SYSTEMS			
Air Conditioning			
Heating/ Thermostats			
Duct Repairs/ Sealing/ Cleaning			
Water Heaters			
BUILDING ENVELOPE			
Attic/ Ceiling insulation			
Wall/ Band joists/ Floor insulation			
Window repair/ replacement			
Weather stripping/ sealing			
APPLIANCES			
Refrigerators			
Dishwashers			
Clothes Washers and Dryers			
WATER CONSERVATION			
Low flow showerheads/ faucets			
INTERIOR COMPONENTS			
Carpeting/ flooring			
Painting/ patching			
Plumbing/ tubs/ commodes/sinks			
Electrical			
Doors/ cabinets			
Other interior			
EXTERIOR COMPONENTS			
Roofing systems			
Siding/ stuccoing			
Foundation/ walkways			
ADA compliance items			
Landscaping/ Xeriscapping			

GRAND TOTALS:

ATTACHMENT D – REQUIRED ENERGY AUDIT FORMS

Housing Division Multi-Family Building

Energy Efficiency Requirements

Data Collection

Developer________________________________ **Phone**________________________
Contact ______________________________ **Title**______________________________
Email____________________ **Development** _________________________________
Property
Address____
City/State /Zip
Building # _______
Type ( ) From Plans ( ) Existing Building **Date** _________________
Utilities:
Gas _________________ **Electric**__________________ **Other**__________________
Utility type of service provided: ( ) Residential ( ) Commercial

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

Total Building Conditioned* Floor Area __________sq ft (Common area + all living space)
Volume of Conditioned* Area ___________ cu ft **(Total floor area x average ceiling height)**
Stories ( ) 1 ( ) Multi **Year built** ( ) New ( ) _________
# of Units in Building __________ **Total # of Bedrooms**___________
Flat Ceiling Height ( ) 8 Ft ( ) Other_____ft
Vaulted Ceilings ( ) No ( ) Yes **Ceiling height @ median pt** ______ ft
Floor Area w/vault___________sq ft
*Conditioned area is heated and /or cooled space

Foundation Type ( ) Crawl ( ) Slab on grade ( ) Other ___________________
Total Floor area over crawl or on slab foundation _________sq ft
Floor Area Over Garage ( ) No ( ) Yes __________ Sq Ft & R Value________
Floor Area Exposed to Outside* ( ) No ( ) Yes ______ Sq Ft & R Value___
*Such as cantilevered floor

Crawlspace Foundations Only
If Crawl Space ( ) Operable vents ( ) Unvented ( ) Open
Type: ( ) Concrete ( ) Other ______________
Total Crawl Height _____ft **Height below grade only** ______ ft
Total Perimeter Length _______**ft Exposed Perimeter** ________ft
Crawl Wall Insulation ( ) No ( ) Yes R value _________ ( ) Batt ( ) Foam bd.
Insulation in Floor over crawl ( ) No ( ) Yes R value __________

Slab Foundations Only
If Slab on Grade ( ) Uninsulated ( ) Insulated Perimeter R _______
Total Perimeter Length _______**ft Exposed Perimeter** ________ft

Ceiling Type & Insulation
Roof Type ( ) Tile ( ) Asphalt ( ) Other ________ **Framing** 2x____; ___oc
Attic Ceiling Area__________sq ft **% of Ceiling Area** ( ) 100 % ______ **%**
Ceiling Insulation R value ( ) R30 ( ) R38 ( ) Other ________________
Describe Type ______________________
Vault Ceilings* on top floor ( ) No ( ) Yes **% of Ceiling Area** ______ %
Vault Ceiling Area ________sq ft (can be determined by ceiling rise per 1 ft length)
Vault Ceiling Insulation R value ( ) R30 ( ) R38 ( ) Other ______________
Describe Type ______________________
Exterior Color ( ) Light ( ) Medium ( ) Dark **Radiant Barrier** ( ) Yes ( ) No
* A ceiling with no attic above, otherwise include in "Attic" ceiling section

Wall Type & Insulation
( ) Standard Stud Frame ( ) Other ____________ ( ) 2x4 ( ) 2x6 ( ) Other_________
Total Wall Area between Conditioned & Outside _______________ sq ft
To determine wall area multiply length of walls x *ceiling height* , don't include band joists, enter them in rim/band joist section.
Wall Insulation R value ( ) R13 ( ) R 15 ( ) Other ________________
Describe Type ______________________
Exterior Color ( ) Light ( ) Medium ( ) Dark
Total Wall Area Adjacent to Garage _____________ sq ft
Wall Insulation R value ( ) R13 ( ) R 15 ( ) Other ________________
Describe Type ______________________
Total Wall Area Adjacent to Other Space _____________ sq ft
Wall Insulation R value ( ) R13 ( ) R 15 ( ) Other ________________
Describe Type ______________________

Rim & Band Joists
Rim/Band Joists between Conditioned & Outside:
Gross Area* _______sq ft **R Value**_________ **Insulation type** ______________
Rim/Band Joists between Conditioned & Garage or Other Space
Gross Area* _______sq ft **R Value**_________ **Insulation type** _______________
***** Typical rim & band joists are 12" wide so gross area = linear feet x 1.

 # Opaque Doors Between Conditioned & Outside ______________ Do not include sliding glass doors here
Door Type ( ) 1 3/4" Insulated Metal ( ) Other ___________________________
Size ( ) 3' x 7' ( ) Other ___________

Mechanical Systems – Living Units
Heating Systems Same system in each unit ( ) Yes ( ) No
If no, please describe each system by copying this page and completing for each different one.
Type ( ) Forced Air ( ) Boiler ( ) Other ______________________
Manufacturer ________________________ **Model #** __________________
Efficiency ( ) 78% AFUE ( ) Other ___________ **Size** __________________kBtu
Fuel Type ( ) Natural gas ( ) Other ___________ **Locatio**n_________________
Set Back Thermostats ( ) Yes ( ) No **Notes** ______________________________

Cooling Systems Same system in each unit ( ) Yes ( ) No
If no, please describe each system by copying this page and completing for each different one.
Type ( ) Air Conditioner ( ) Heat Pump ( ) Other ________________
Fuel ( ) Electric ( ) Other ____________
Manufacturer ________________________ **Model #** __________________
Efficiency ( ) 10 SEER ( ) Other _____________ **Siz**e_________________ ton
Ventilation ( ) Natural, windows ( ) Whole house fan
Location_________________ **Set up Thermostats** ( ) Yes ( ) No
Notes ____

Hot Water Heaters Same system in each unit ( ) Yes ( ) No
If no, please describe each HW by copying this page and completing for each different one.
Manufacturer _________________________ **Model #** ___________________
Energy Factor (if available)__________________ **Size** _________________gal
Type ( ) Natural gas ( ) Electric **Locatio**n____________________

Mechanical Systems – Common Areas

Heating Systems Common Area System ( ) Yes ( ) No
Type ( ) Forced Air ( ) Boiler ( ) Other _______________________
Manufacturer _________________________ **Model #** ___________________
Efficiency ( ) 78% AFUE ( ) Other ____________ **Siz**e___________________kBtu
Fuel Type ( ) Natural gas ( ) Other ____________ **Locatio**n__________________
Set Back Thermostats ( ) Yes ( ) No

Cooling Systems Common Area System ( ) Yes ( ) No
Type ( ) Air Conditioner ( ) Heat Pump ( ) Other _________________
Fuel ( ) Electric ( ) Other _____________
Manufacturer _________________________ **Model #** ___________________
Efficiency ( ) 10 SEER ( ) Other ______________ **Siz**e__________________ ton
Ventilation ( ) Natural, windows ( ) Whole house fan
Location__________________ **Set up Thermostats** ( ) Yes ( ) No

Hot Water Heaters Common Area System ( ) Yes ( ) No
Manufacturer _________________________ **Model #** ___________________
Energy Factor (if available)__________________ **Size** _________________gal
Type ( ) Natural gas ( ) Electric **Locatio**n__________________
Note ____

Heating and Cooling System Ducts
Supply Ducts Location(s)* ____
Length ____________________ **ft Width** ______________________ **ft**
Type ( ) Flex duct R4.2 ( ) Other ______________ ( ) Combination_________________
Return Ducts Location(s)* ____
Length ____________________ **ft Width** ______________________ **ft**
Type ( ) Flex duct R4.2 ( ) Other ______________ ( ) Combination_________________
* If more than 1 location indicate % in each.

Indoor Air Quality Ventilation
( ) No Automatic Ventilation* ( ) Automatic Exhaust ( ) Automatic Supply
*Check this if occupant must turn ventilation fans on and off

Appliances
Oven/range ( ) Gas ( ) Electric ( ) In each apt ( ) Other # _________
Manufacturer ____________________________ **Model #** _____________________
Refrigerator( ) In each apt ( ) Other # _________
Manufacturer ____________________________ **Model #** _____________________
Clothes Washer ( ) In each apt ( ) Other # _________
Manufacturer ____________________________ **Model #** _____________________
Clothes Dryer ( ) Gas ( ) Electric ( ) In each apt ( ) Other # _________
Manufacturer ____________________________ **Model #** _____________________

Windows - Please include sliding glass doors as windows.
Type ( ) Dbl pane, vinyl frame ( ) Low E, Dbl pane, vinyl frame
( ) Other ____

Data Collection

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

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

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

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

ATTACHMENT D

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

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

1. HUD's March 6, 1991 Fair Housing Accessibility Guidelines (the Guidelines), and the June 28, 1994 Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers about the Guidelines;

2. HUD's Fair Housing Act Accessibility Design Manual;

3. ANSI A117.1-1986, used in conjunction with the Act and HUD's regulations, and the Guidelines;

4. CABO/ANSI A117.1-1992, used in conjunction with the Act, HUD's regulations, and the Guidelines;

5. ICC/ANSI A117.1-1998, used in conjunction with the Act, HUD's regulations, and the Guidelines;

6. Code Requirements for Housing Accessibility 2000 (CRHA), approved and published by the International Code Council (ICC), October 2000;

7. International Building Code 2000 (IBC) as amended by the IBC 2001 Supplement to the International Codes.

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

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

FAIR HOUSING ACT ACCESSIBILITY CHECKLIST

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

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

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

COVERED BUILDINGS

IS THE DEVELOPMENT SUBJECT TO THE ACT?

?? Development has buildings containing 4 or more units and was designed and constructed for first occupancy on or after March 13, 1991

?? Building contains elevator so all units in building are "covered units"

?? All units in buildings with elevators are designed and constructed with features required by the Act.

?? Building does not contain elevator so only ground-floor units in building are "covered units".

?? All ground-floor units in buildings without elevators are designed and constructed with features required by the Act.

?? Development contains "covered units," so the public and common use facilities must be designed and constructed with features required by the Act.

?? NOTE: Fair Housing Act Accessibility Guidelines contains a narrow "Site Impracticality Exception" which provides that a non-elevator building does not have to meet all of the Act's requirements if it is impractical to have an accessible entrance to the building because of the natural hilly terrain or other unusual characteristics of the site.

SEVEN DESIGN REQUIREMENTS

1. 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 ramp cuts for a person using a wheelchair to reach every building in the development

?? Curb ramp cuts meet slope and cross slope specifications

2. ACCESSIBLE COMMON AND PUBLIC USE AREAS

?? At least 2 percent of all parking spaces serving covered units are designated as accessible handicapped parking spaces

?? At least one parking space of each common and public use amenity is designated as handicapped accessible parking spaces

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

3. USABLE DOORS

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

4. ACCESSIBLE ROUTE INTO AND THROUGH THE COVERED UNIT

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

5. ACCESSIBLE ENVIRONMENTAL CONTROLS

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

6. REINFORCED BATHROOM WALLS FOR GRAB BARS

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

7. USABLE KITCHENS & BATHROOMS

USABLE KITCHENS

?? 30 x 48" clear floor space outside the swing of the door

?? 40" of clear floor space between opposing elements (i.e. cabinets, appliances, etc.)

?? U-shaped kitchens with sink or cook top at end have 60" diameter turning space or have sink or cook top base with removable cabinets

USABLE BATHROOMS

Type A Bathroom

?? 30 x 48" clear floor space outside the swing of the door

?? 30 x 48" clear floor space at lavatory (if centered for parallel approach cabinet may be fixed)

?? Toilet next to the tub allowing a perpendicular approach

?? Centerline of toilet is 18" from bathtub and 15" from lavatory

Type B Bathroom

?? 30 x 48" of clear floor space outside swing of door

?? 30 x 48" of clear floor space centered in front of sink

?? 30 x 48" of clear floor space adjacent to the bathtub

?? If at least one Type B bathroom is included, the other bathroom(s) is exempt from only the maneuvering space requirements

ATTACHMENT E
2005 TAX CREDIT SCORING SHEET

Maximum Score Chart

QAP Reference	Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories	**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
Maximum Score (Nevada Based Developer)	**120**	**115**	**125***	**115**	**111**	**115**
Maximum Score (Out-Of-State Developer)	**115**	**110**	**110***	**110**	**106**	**110**

* The maximum point scores should be reduced by 4 points for Special Needs projects serving frail elderly, and Alzheimer populations because such projects are not eligible for preference points for extending the affordability period.

Project Type Scoring

QAP Reference	Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Category	**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
PROJECT TYPE SCORING	**15**	**10**	**20**	**10**	**10**	**10**

Standard Scoring Factors

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
STANDARD SCORING FACTORS	**Max. Score**	**50**	**50**	**50**	**50**	**50**	**50**

Section 17 - Project Location	**Max. Score**	**2**	**2**	**2**	**2**	**2**	**2**
- Projects located in a Qualified Census Tract - Projects located in non-CDBG eligible census tract - Projects in Redevelopment Project Area - Local Jurisdiction Priority Area - Acquisition/Rehab project in revitalization plan - NV At-Risk Properties listed by Nat'l Trust	Maximum Score if any factor satisfied						

Section 18 - Project Readiness	**Max. Score**	**9**	**9**	**9**	**9**	**9**	**9**
- Ownership of the land	2						
- Option to purchase land or long-term lease	1						
- Proper zoning of the site	3						
- Soil testing completed	1						
- Phase I environmental study completed	2						
- Partnership documents filed	1						

Standard Scoring Factors (Continued)

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
Section 19 -Amenities	**Max. Score**	**20**	**20**	**20**	**20**	**20**	**20**
PROJECT WIDE AMENITIES							
- Elevator	3		N/A			NA	
- Picnic Area with required equipment	3					Inc as tenant unit amenity	
- Swimming or lap pool	3					N/A	
- Kiddy Pool	3		N/A	N/A	N/A		N/A
- In-ground Spa	2						
- Exercise/weight room with required equipment	2					N/A	
- Computer/study with required equipment	2					Inc. as tenant unit amenity	
- Exterior lighting	2						
TENANT UNIT AMENITIES							
- Picnic Area with required equipment	3	N/A	N/A	N/A	N/A		N/A
- Covered patio area or balcony area	2						
- Two car garage or covered parking	2						
- Air conditioning/ swamp cooler	2						
- Enclosed storage area	2						
- Infrastructure/ hook up for broad-band internet connection	2						
- Ceiling fans	1						

Standard Scoring Factors (Continued)

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
Section 20 – Nevada Based Applicant	**Max. Score**	**10**	**10**	**10**	**10**	**10**	**10**
- NV corp., partnership, limited-liability company - Maintain an office in Nevada - In-State office is sufficiently staffed	Maximum Score if all factors satisfied						
Section 21 – Out of State Applicant	**Max. Score**	**5**	**5**	**5**	**5**	**5**	**5**
One point for each Nevada project up to 5 points if following conditions are satisfied: - Previously developed projects in Nevada - Applicants are in good standing with Division - No outstanding IRS compliance findings	Maximum score if all conditions are satisfied and applicant has 5 Nevada projects			All special needs populations except frail elderly, Alzheimer, and assisted living projects			
Section 22 – Affordability Period[16]	**Max. Score**	**4**	**4**	**4**	**4**	**4**	**4**
- One point for each 5 years of extended affordability up to 20 years	Maximum score for 20 years extended affordability					N/A	

[16] Projects developed for eventual tenant ownership, assisted living or frail elderly, and Alzheimer special needs populations are not eligible for preference points for extending the affordability period.

Standard Scoring Factors (Continued)

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
Section 23 – Water Efficiency	**Max. Score**	**5**	**5**	**5**	**5**	**5**	**5**
- 75 percent desert/zero landscaped	Maximum score for 20 years extended affordability						

Section 24 – Negative Compliance Findings	**Max. Score**	**0**	**0**	**0**	**0**	**0**	**0**
- One point subtracted for each unresolved compliance finding reported on IRS Form 8823 up to a maximum of –20 points.	Subtract one point per negative compliance finding						

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**
SPECIAL SCORING FACTORS	**Max. Score**	**55**	**55**	**55**	**55**	**55**	**55**

Section 31 – Low Rent Targeting	**Max. Score**	**10**	**10**	**10**	**10**	**10**	**10**
- = .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						

Section 32 – Low Income Targeting	**Max. Score**	**10**	**10**	**10**	**10**	**10**	**10**
- = .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						

<u>Special Scoring Factors</u> (Continued)

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		**Individuals and Families w/ Children**	**Senior Housing**	**Special Needs Housing**	**Mixed Income/ Mixed Use**	**Eventual Tenant Ownership**	**Acquisition Rehab**

Section 33 – Supportive Services	**Max. Score**	**10**	**10**	**10**	**10**	**10**	**10**
- Childcare services	2 pt. if on-site 1 pt. if off site						
- Health care services	2 pt. if on-site 1 pt. if off site						
- Job-training programs	2 pt. if on-site 1 pt. if off site						
- Prepared meal on a daily basis	2						
- Transportation	3						
- Computer literacy training	1						
- Personal finance training	1						

Section 34 – Low Developer Fee	**Max. Score**	**5**	**5**	**5**	**5**	**5**	**5**
- Less than 11% of Eligible Basis	5						
- 11.0% to 11.99% of Eligible Basis	4						
- 12.0% to 12.99% of Eligible Basis	3						
- 13.0% to 13.99% of Eligible Basis	2						
- 14.0% to 14.99% of Eligible Basis	1						
- 15%	0						

Special Scoring Factors (Continued)

QAP Reference		Section 25	Section 26	Section 27	Section 28	Section 29	Section 30
Project Type Categories		Individuals and Families w/ Children	Senior Housing	Special Needs Housing	Mixed Income/ Mixed Use	Eventual Tenant Ownership	Acquisition Rehab

Section 35 – Low Contractor Fee	Max. Score	5	5	5	5	5	5
- Less than 10% of Total Construction Costs	5						
- 10.0% to 10.99% of Total Construction Costs	4						
- 11.0% to 11.99% of Total Construction Costs	3						
- 12.0% to 12.99% of Total Construction Costs	2						
- 13.0% to 13.99% of Total Construction Costs	1						
- 14%	0						

Section 36 – Public Private Partnerships	Max. Score	15	15	15	15	15	15
- Donation of Land	5						
- Combined contributions from government, non-profit, and private sources 50% or more of total development costs	5						
- Combined contributions from non-profit and private sources 20% or more of total development costs Combined contributions	5						