



Department of Business & Industry  
**HOUSING DIVISION**

1535 Old Hot Springs Road Suite 50  
Carson City, Nevada 89706  
Tel.: (775) 687-4258 or (800) 227-4960  
Fax: (775) 687-4040

DATE: December 20, 2010  
TO: Interested Parties  
Cc: Mark Licea, NHD  
FROM: Hilary Lopez, Chief of Federal Programs  
RE: 2011 Qualified Allocation Plan (QAP): Section 29 - Clarification on Maximum Square Footage per Unit and Acquisition/Rehabilitation Project Type Preference Points

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This memo documents one clarification and one change to the 2011 Qualified Allocation Plan (QAP) for Low Income Housing Tax Credits (LIHTC) adopted on December 7, 2010. Both changes are in Section 29: Project Type Priorities.

- Section 29(A): Senior Housing Age 55 and Older indicates that "Studio and one-bedroom units cannot exceed 650 sq. ft." and that "No other unit regardless of the number of bedrooms can exceed 850 square feet."

This memo clarifies that the square footage is calculated based on indoor, conditioned space. Any references within the adopted 2011 QAP to unit square footage is based on indoor, conditioned space.

- Section 29 (C): Acquisition/Rehabilitation Projects. Project submitted under this category may be:
  - A) Acquisition/Rehabilitation projects with Expiring Section 8/HAP contracts for a minimum of 75% of the total units **OR**
  - B) Acquisition/Rehabilitation, Rehabilitation Only, Conversion or Change of Use Projects without rental assistance, or a Section 8/HAP contract project that does not meet the definition of expiring use provided in the adopted 2011 QAP.

The highest scoring project submitted under "A" will receive ten points; the second highest scoring project will receive five points. The highest scoring project submitted under "B" will receive ten points; the second highest scoring project will receive five points.

In addition, the following language was inadvertently left out of this section in the adopted 2011 QAP:

*Acquisition/Rehabilitation, Rehabilitation Only, or Conversion or Change of Use Projects without rental assistance, or a Section 8/HAP contract project that does not meet the definition of expiring use provided in the adopted 2011 QAP will be ranked based on the per-unit rehabilitation investment (hard construction costs divided by 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.*