**State of Nevada Department of Business & Industry**

**Housing Division**



**Low-Income Housing Tax Credit Program**

**Qualified Allocation Plan**

**2020 Draft**



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702-486-5980

Qualified Allocation Plan 2020

Background

## GENERAL INFORMATION

The Nevada Housing Division (NHD or the Division) administers the Low-Income Housing Tax Credit (LIHTC) program and is required, as the state’s housing credit agency, to adopt a Qualified Allocation Plan (QAP or Plan). Section 42 of the Internal Revenue Code (IRC or the Code) is the federal statute establishing the LIHTC program.

The Nevada State Legislature enacted Chapter 319 of the Nevada Revised Statutes (NRS), “Assistance to Finance Housing,” establishing and granting powers to the Division. The regulations implementing the statutory provisions of NRS Chapter 319 are in Nevada Administrative Code (NAC) Chapter 319, “Assistance to Finance Housing.”

There are two methods of obtaining a LIHTC allocation: 1) the competitive application process; and 2) tax-exempt bond financing.

In the process of administering the LIHTC Program (Program), the Division will make decisions and interpretations regarding project applications and the Plan. Unless otherwise stated, the Division is entitled to the full discretion allowed by law in making all such decisions and interpretations, including to waive QAP requirements.

## SECTION 1 ANNUAL PLAN GENERAL INFORMATION

All LIHTC reservations made during the 2020 plan year are subject to the QAP and NAC 319.951 through 319.998 inclusive.2020

## Reserved.

## Completeness and Consistency of LIHTC Applications.

Applications must be on official NHD forms.

Applicants must check all category and geographic boxes for which they elect to compete.

The Application must be submitted on or before the applicable QAP deadline. The Division will not accept an application, document or fee submitted after the applicable QAP deadline. The Division may reject an application if the check submitted with the application is dishonored by the bank.

The Division will notify an applicant of a pending rejection due to missing documents and/or information. Applicants will have five business days from the date of the notice to respond. Failure to provide the missing documents/information will result in the application being rejected.

## Formatting.

Applicants must submit a compact disc or flash drive containing a working copy of the official Microsoft Excel file and other elements, all with NHD-prescribed labeling.

## SECTION 2 SCHEDULE OF KEY DATES

Materials due on the following dates must be submitted to the Division’s Las Vegas or Carson City offices by **5:00 P.M. (Pacific Time)** unless otherwise specified.

Table 1. Schedule of Key Dates

|  |  |
| --- | --- |
| **Event** | **When** |
|  |  |
| 9% Tax Credit Project **Application Deadline** | **May 1, 2020** |
| Posting of applications general information received | **May 15, 2020** |
| Preliminary Scoring Letters sent to Project Developers | **June 19, 2020** |
| Issuance of Notice of Reservations | **July 3, 2020**  |
| Carryover allocation information deadline | **Sept. 18, 2020** |
| Carryover allocations issued | **Nov. 6, 2020** |
| Estimated 270 Day Deadline | **March 29, 2021** |
| Proof of satisfaction 10% test | **Nov. 5, 2021** |

All deadlines are for 5:00 p.m. Pacific Time on the date specified above.

NHD may modify this schedule.

## SECTION 3 TECHNICAL ASSISTANCE

Applicant/Co-Applicants should contact the Division with any questions regarding the application.

## SECTION 4 GUIDING PRINCIPLES AND PRIORITIES

## Criteria for Reviewing Applications.

The process for evaluating LIHTC applications includes a comprehensive analysis that gives preference to applications serving the lowest income residents for the longest period of time.

## Market Conditions.

The Division will consider the impact of the proposed project on the stability of both LIHTC and market rate properties in the primary market area (PMA) of the proposed project, including vacancy rates, rent concessions, or reduced rents.

The Division publishes an annual report called *Taking Stock*, *Affordable Apartment Survey* on its website. Potential applicants may consult this publication as part of their research on market conditions.

## Project Readiness.

The proposed project must be ready to be constructed, completed and tenant occupied within the timeframes set forth in this QAP and NAC 319.981.

## Overall Financial Feasibility and Viability.

The Division will evaluate the overall financial strength of each project.

## Experience Developing and Managing Multifamily Rental Properties.

The Division will evaluate the experience of the Applicant/Co-Applicants.

## Total Project Cost per Unit.

The Division has a responsibility to not award projects with excessive costs regardless of the reasons for such costs. See Section 13.4 for the specific limits.

## Proximity to Existing Tax Credit Projects.

The Division will monitor the distribution of LIHTC projects across the state as well as in particular submarkets.

## Site Suitability.

NHD will evaluate sites on the basis of suitability and overall marketability.

## Minimum Score Required.

Applications must earn at least 60% of the available points to be eligible for an award.

## APPORTIONMENT OF TAX CREDITS

**SECTION 5 APPORTIONMENT ACCOUNTS AND INITIAL BALANCES**

**5.1 Overview of the Allocation Process**

Estimated LIHTC allocations are shown in Table 2. The Division will post any updates or additional specificity (if any) on its website. Table 2. Nevada 2020 Credit Authority and Allocation Plan

|  |  |  |
| --- | --- | --- |
| **Estimated Total 2020** | $8,280,000 |  |
| Nonprofit Set-Aside | 10% | 828,000 |
| USDA | 10% | 828,000 |
| Additional | 12% | 993,600 |
| Balance | 5,630,400 |  |
| Clark County | 73.45% | 4,135,529 |
| **less forward committed** |  |  |
| Clark County Balance |  |  |
| Washoe County | 15.13% | 851,880 |
| Other Counties | 11.42% | 642,992 |

## SECTION 6

## RESERVED

**SECTION 7 DISTRIBUTION PROCESS OVERVIEW**

* 1. **Description of the Waterfall.**

The Division will make an initial apportionment of LIHTCs in the following order:

* set-aside accounts as specified in Section 8;
* the geographic accounts specified in this section;
* general pool account through the waterfall process outlined herein.

Non-Profit

NHD will

* determine which applications count towards the non-profit set-aside,
* score all such applications in their corresponding geographical apportionment / USDA account, and
* make nonprofit awards until the remaining LIHTCs are insufficient to fund another application (other than the allowance in Section 8.1.1. below).

Any remaining LIHTCs will go to the general pool.

USDA and Geographic (5% rule in effect)

NHD will score all eligible USDA, Clark County, Washoe County, and applications in Other Counties in the appropriate account for each and make awards until the remaining LIHTCs are insufficient to fund another application. Any remaining LIHTCs will go into the general pool.

Additional Credits

NHD will use its discretion when awarding additional LIHTCs. The maximum number of additional LIHTCs a Project can receive is 12% of the Project’s original allocation of LIHTCs. Projects that received points for most efficient use of LIHTCs under Superior Project will be limited to not more than 6% of their original allocation. Any remaining LIHTCs will go into the general pool.

General Pool (5% rule in effect)

The remaining LIHTCs will fund other applications based on highest score. If there are insufficient LIHTCs to fund the next highest scoring application, NHD will award the highest scoring application that will be made whole (or with the 5% rule).

## The Five Percent Rule.

If the total LIHTCs remaining in a set-aside, geographic account, or pool above (excluding Nonprofit) is 95% or more of the amount requested by the highest scoring but not awarded application, NHD will allow the Applicant to receive the lower amount. The Applicant must:

* not make any changes (including scoring items) beyond what is necessary to reflect the lower allocation,
* prove, to NHD’s satisfaction, that the project will be viable, and
* agree to the outcome in writing.

**SECTION 8 SET-ASIDE ACCOUNT ALLOCATIONS**

## Set-Aside Allocations.

NHD will fund the subcategories in this Section 8.1 before making Geographic and General Pool Account allocations.

Eligible applications that do not receive funding from the requested set-aside(s) will compete in the selected geographic category.

## § 42 Non-Profit Set-Aside.

The Division will set-aside 10% of LIHTCs for applications meeting the following criteria:

* The non-profit organization is acting alone or in partnership with a for-profit Co-Applicant.
* The goal and mission of the Applicant/Co-Applicant non-profit organization must be developing and providing affordable housing.
* The non-profit Applicant/Co-Applicant must have successfully developed and operated affordable housing which offers restricted/subsidized rents to income eligible tenants, utilizing HUD/LIHTC/PHA and/or other public funding sources.
* The non-profit organization Applicant/Co-Applicant must have actively participated in the development and operation of affordable housing projects as the managing member or general partner.
* The non-profit Applicant/Co-Applicant must provide a copy of an IRS determination letter indicating that the organization is qualified pursuant to IRC Section 501(c)(3) or 501(c)(4).
* The application package must contain an executed Certification of Material Participation by the Qualified Non-Profit Organization.
* The Applicant/Co-Applicants must certify that no change has occurred in the organization since the issuance of the IRS determination letter that would affect its validity.

NHD may shift LIHTCs from a geographic account to the Nonprofit set-aside if:

* the next highest scoring application receives a score high enough to be awarded in such account; and
* there are enough LIHTCs available in the account to fund the application.

Owners of projects awarded under this set-aside must continually provide documentation of “material participation” (IRS Form 8823 Specific Instructions, Item 11q).

## USDA-RD Set-Aside (Acquisition/Rehab Only).

The Division will set-aside 10% of LIHTCs for one or more applications involving United States Department of Agriculture Rural Development (USDA-RD) projects meeting the following criteria:

* The activity meets the Section 11.9 definition of substantial rehabilitation.
* Submission of a letter from USDA explaining why the rehabilitation is warranted, the scope of the capital needs assessment is acceptable, and that the rehabilitation meets USDA-RD’s definition of substantial.
* The Applicant/Co-Applicants documents having authorized USDA-RD to release to the Division a copy of the application for USDA-RD funding.

## Additional LIHTCs.

The Division will set-aside 12% of LIHTCs for applications involving projects meeting the following criteria:

* Received an allocation within the immediately preceding two years and has not yet placed in service.
* Had reasonably unforeseeable increased construction costs and/or decreases in one or more funding sources.
* Has not already received an award from the Additional Tax Credit pool.
* Submits a modified application including:
* an explanation and support that the need for additional LIHTCs was not reasonably foreseeable at the time of submitting the prior year application;
* the steps being taken—and their status—to overcome any obstacles to completion,
* proof of sufficient funding to complete the project;
* an updated schedule with milestones for completion of the project including dates of completed milestones, a working copy of the original Excel application;
* a copy of an updated Excel application including the updated budgets, sources and uses, cash flow, any changes to eligible basis, variances and explanations of variances, where applicable, of changes in quantities, per unit costs, total estimates, and LIHTC pricing;
* copies of the funding sources commitment letter(s) from the prior application and any updates; and
* where Value Engineering changes have been made and break out the changes in terms of quantities, costs, materials changes, and specification levels.
* The Developer fee has not increased from the amount claimed in the original application. The Contractor Fee cannot go above the original percentage in the initial application.
* The request does not exceed 10% of the original award.
* A certification that the additional LIHTCs will be sufficient to complete the project.

## SECTION 9 GEOGRAPHIC ACCOUNT ALLOCATIONS

After Set-Aside and Additional Funding awards, the Division will, according to relative populations, proportionately distribute LIHTCs to projects in each of the three geographic accounts: Clark County, Washoe County, and Other Nevada Counties.

## SECTION 10 GENERAL POOL ALLOCATIONS

The Division will allocate General Pool LIHTCs to fund:

* the highest ranked unfunded application from the first funding round submitted in any of the geographic sub accounts, if the remaining amount of LIHTCs equals or exceeds the application request, including consideration of the Five-Percent Rule;
* new projects as part of a second funding round; or
* projects requesting additional LIHTCs.

The Division also may make a partial commitment to a project with a corresponding forward commitment for the balance of LIHTCs.

## ELIGIBLE PROJECTS

## SECTION 11 ELIGIBLE PROJECT CATEGORIES

Each applicant must select one project category. A project may consist of scattered-site or single-site housing.

## Projects for Individuals.

Under this category a maximum of 10% of the total units can be 2-bedroom. See Section 14.2.3.

## Projects for Individuals with Children and Families with Children.

 Under this category a maximum of 10% of the total units can be studios. See Section 14.2.4.

## Senior Housing Age 55 and Older.

Projects in this category must comply with the federal exemption of housing for predominately individuals who are 55 years of age or older. See Section 14.2.1.

## Special Needs.

To be considered for this category, at least 20% of the units must serve at least one of the populations identified below. NHD may approve another if the Applicant/Co-Applicant submits a request in writing 45 days prior to applying and includes documentation supporting the proposed population as being a federal or state recognized Special Needs category.

* Persons with disabilities.
* Permanent supportive housing for persons and families who are homeless.
* Victims of domestic violence.
* Persons released from incarceration, including persons paroled or on probation.
* Persons with drug, substance and/or alcohol abuse behavior.

Project Sponsors will:

* expressly include reasonable accommodation in the application for tenancy;
* not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations requests);
* use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (i.e., cannot be transitional); and
* ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy).

Neither the Project Sponsor’s partners/members nor the property management company(ies) may engage in medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services with respect to the residents.

Project Sponsors will not give a preference based on disability type (actual or perceived) or being a client of a particular provider. The project must have service coordination provided by an employee of a local human services agency to assist residents in:

* the application process,
* implementing plans for success in permanent housing, and
* continuing the linkage to supportive services, as needed.

The owner and the local agency will enter into a memorandum of understanding outlining their respective roles and responsibilities.

## Mixed Income Residential Projects.

Under this category a minimum of 10% of the units must be unrestricted, market-rate.

## Mixed Use (or Multi Use).

Projects in this category must meet the following criteria:

* The nonresidential component (commercial, office or retail space) is at least 1,200 square feet.
* May be part of an existing or imminent new mixed-use (physically integrated multiple uses) or multi-use project (uses lying near or close to; possibly, but not necessarily abutting) which includes the commercial, retail, office or other nonresidential uses—only if this specific project parcel is part of a master planned development and the Declaration of Restrictive Covenants or Land Use Regulatory Agreement will specify these specific land uses.
* The nonresidential component will be leased to a third party (for example, the qualifying office space may not be used by the Project Sponsor).
* The site is properly zoned to accommodate the various land uses.
* The Application documents the source of funding for constructing the non-residential land use components. The nonresidential components must generate a minimum debt ratio of 1.20 based on underwriting separate from the housing.
* The Market Study must include an assessment of the economic viability of the nonresidential component.
* The nonresidential component may not include adult-only establishments, nightclubs, massage parlors, liquor stores, or other similar establishments incompatible with family housing.

## Housing for Eventual Tenant Ownership (Rent to Own).

Under this category all of the restricted rental units must be made available for eventual ownership by the existing tenants upon the termination of the 15-year compliance period. Residential units must be single-family structures, consisting of 1 to 4 units, and/or townhomes. Each unit must have separate legal descriptions. All units must be located within a 2.5-mile radius designated by the Applicant.

Existing tenants must have a first right of refusal to purchase the unit.

The purchase price must take into consideration the rent paid by the tenants. The mortgage must be a 15-year or 30-year fixed rate mortgage with rates and terms consistent with those offered and available in the local housing market.

The affordability period will apply to all of the remaining, unsold units until the last home is purchased.

## Requirements for Tenant Ownership Projects.

* Management Plan: The Applicant/Co-Applicants must submit a plan for the ongoing management, maintenance and repair of the project as a rental property for the initial 15-year credit period, including costs associated with property leasing and administration, and maintenance schedules and costs for general repairs, maintenance, and replacement of mechanical items.
* Escrow Account: The application must describe how the Project Sponsor will set up an escrow account at a bank to set aside a portion each tenant’s rent towards a down payment (de minimis payment). The owner must return these funds (including interest accrued) to households terminating tenancy.
* Right of First Refusal: The application must provide a copy of the Right of First Refusal Agreement. The Project Sponsor will enter into the Agreement with each tenant upon initial occupancy. The Agreement must:
	+ guarantee the tenant the right to purchase the unit if the tenant agrees to the terms and conditions of the original lease;
	+ specify a “not to exceed” offering price; and
	+ state that then tenants cannot be displaced from the property without just cause.

## All Categories – Multiple Projects Same Parcel.

Applications proposing multiple projects on the same site must:

* request Division approval, no less than 30 days before the application deadline, that they are separate projects, there is an adequate agreement for shared amenities and/or easements, and the jurisdiction has approved them as separate projects on the same parcel; and
* include a letter from the local jurisdiction that states without exception the parcel is zoned for the proposed project, can accommodate both projects without splitting the parcel and requires no further actions.

Phased projects must adhere to the requirements of this section with the following exception:

Multiple projects on the same parcel owned by the same owner/applicant are considered one project and must submit a completely executed copy of the governing document of the entity verifying ownership of the entire project by the owner/applicant and confirming the project will not be split upon sale. If the Division does not receive this documentation within 90 days of the LIHTC reservation, then the reservation may be terminated. The Division may determine an agreement for shared amenities/easements is not necessary.

## Acquisition/Rehabilitation Projects.

Applications for acquisition/rehabilitation must include the following:

* Capital Needs Assessment (CNA). A CNA prepared by a competent, industry acknowledged, third-party. The CNA must list planned expenses by component category, including quantities and costs per units and costs per item. The Division reserves may elect to have its third party estimator review the CNA and offer input into the scope of work. In a scattered-site property, the CNA must reflect costs associated with the rehabilitation for each unit.
* Scope of Rehabilitation. Rehabilitation is repair or renovation of an existing residential structure and excludes the demolition or expansion of the footprint of the buildings. Except as otherwise provided in this Section, applications for Rehabilitation Projects must document costs of at least $30,000 per unit, excluding the following:
* Construction Overhead or any other Overhead
* General Requirements  Any Reserves
* Parking Lots/carports  Landscape/Irrigation  Pools & Spas
* Recreational courts  Garden walls& Gates  Non-residential bldgs.
* The requirement for USDA-RD projects is the greater of $10,000 per unit or the applicable Code minimum.
* Tenant Displacement and Relocation. The Project Sponsor may choose to income-qualify all tenants immediately upon acquisition of the buildings.
* Prior Ownership. The application must document eligibility to claim the acquisition credit.
* Lead Based Paint. Projects must comply with the applicable Lead Safe Housing Rules.

**11.9.1 Additional Requirements** [Not applicable to Tax Exempt Bond projects]

Projects must be not less than 20 years from the most recent LIHTC Placed in Service Date at time of application.

## SECTION 12 ENERGY REQUIREMENTS

See Appendix B.

## SECTION 13 PRE-SCORING THRESHOLD REQUIREMENTS

All applications must meet the “Threshold Requirements” in this Section 13.

## Market Study.

The analyst must be approved by the Division, completely unaffiliated with the Applicant/Co-Applicants and all Project Participants and have no financial interest in the proposed project. Applications may be ineligible if: (1) the assessment determines that comparable affordable housing projects have occupancy levels less than 90%; (2) the proposed project would have a significant adverse financial effect on other publicly funded projects without offsetting public benefits; or (3) the rents for the proposed project are equal to or greater than comparable market-rate housing.

The submitted application must match the Market Study regarding income, targeting, unit mix, unit sizes and rents. The application must provide an acceptable defense for any deviations in other matters. All studies must comply with Appendix A, Market Study Guide.

Someone with the analyst must confirm having physically visited the project site and surrounding conditions of the neighborhood within the prior two (2) years of the application deadline.

The Division will review market studies in addition to its own internal publications in determining the needs of an area and alignment between proposed projects.

## Project Compliance and Affordability Period.

An Applicant/Co- Applicant may extend the extended use period in increments of 5-years up to a maximum of 50 years (excluding Tenant Ownership projects). All applicants for 4% and 9% LIHTCs will sign a waiver forgoing the Qualified Contract process.

## General Public Use Requirements.

The Division may require an IRS Private Letter Ruling for projects that target a specific segment of the population.

## Fair Housing Accessibility.

The project architect must certify the improvements will comply with Fair Housing Act accessibility standards.

## Project Income/Rent Restrictions.

Applicant must select one of the following elections:

* A minimum of 40% of the units will be occupied by households with incomes at or below 60% Area Median Income (AMI). In 100% LIHTC projects, all units must be rent and income restricted to 60% AMI or lower.
* A minimum of 20% of the units will be occupied by households with incomes at or below 50% AMI. In 100% LIHTC projects, all units must be rent and income restricted to 50% of AMI or lower.
* In compliance with the average income test.

## Maximum Costs.

All projects are subject to the maximum cost per unit (4%/Bond projects excluded).

New construction

|  | Elderly | Family | Rent to own | Special Needs | Individuals |
| --- | --- | --- | --- | --- | --- |
| Clark Co | 241,500 | 264,500  | 245,000 | 264,5000 | 218,500 |
| Washoe Co | 264,500 | 281,750 | 260,000 | 293,250 | 241,500 |
| Other Co | 264,500 | 281,750 | 260,000 | 293,250 | 241,500 |
| USDA | 230,000 | 245,000 | 0 | 255,000  | 0 |

Acquisition/Rehab

|  | Elderly | Family | Special Needs | Individuals |
| --- | --- | --- | --- | --- |
| Clark Co | 160,000 | 185,000 | 200,000 | 140,000 |
| Washoe Co | 180,000 | 200,000 | 215,000 | 160,000 |
| Other Co | 150,000 | 180,000 | 195,000 | 130,000  |
| USDA | 150,000 | 180,000 | 195,000 | 0 |

All other project cost per unit limits will be based on the limits of the project’s tenant base (i.e., family/elderly/special needs).

## Project Reserves for Replacement Requirements.

Projects must maintain the following minimum annual replacement reserves (unless modified in writing by NHD):

* For all projects (new construction or Acquisition/Rehabilitation) that serves a Senior population: $250 per unit.
* For all other new construction projects: $300 per unit.
* For all other Acquisition/Rehabilitation projects: $325 per unit.
* As may be specified by USDA-RD, if applicable.

NHD may limit applications showing amounts in excess of the above. Applications must include additional documentation to support exceeding the minimums by more than 20%. During the extended use period the project’s replacement reserves must be used exclusively for their intended purpose and may not be removed or transferred to any other entity.

## 13.5.1 Reserved.

## Financial Feasibility Requirements.

The Division completes financial feasibility evaluations three times:

* at application;
* prior to issuing the Carryover Allocation;
* the final cost certification.

NHD may adjust the amount of LIHTCs at any of these stages.

The current financial feasibility evaluation standards are below. The Division may adopt new or modify existing standards at any time.

* Minimum debt service coverage ratio of 1.15 on primary debt service (excluding soft debt service); does not apply to USDA finance projects subject to Division approval).
* 2% projected increase to income and 3% operating expenses.
* 7% limitation on unit vacancy assumption.
* Reasonable operating ratio (subject to Division approval).
* 15% limitation on Developer Fees of the eligible basis not including boost. For 4% LIHTC Bond Projects refer to Section 25.
* The Developer Fee on the acquisition portion of the project is limited to a maximum of 15% of the acquisition eligible basis;
* No more than 60% of the Developer Fee may be deferred as of the initial award and must be paid in full by year 15.
* 14% limitation on Contractor Fees, including builder’s/contractor’s profit, overhead and general requirements.
* Where the builder/contractor and Applicant/Co-Applicants have an Identity of Interest the Division may utilize an Estimating Consultant (at the Applicant’s expense). In lieu of this requirement, Applicant may submit a generally accepted or standard type of industry report, with sufficient detail, showing that proposed costs are no higher than or are consistent for the project type where there is no identify of interest. The Division may limit the amount of builder’s/contractor’s profit, overhead and general requirements or require the use of an alternate builder.
* Using the 30% PV rate in effect for the month within which the application is due (i.e., May 2020); and
* Using the LIHTC equity rate in the Letter of Intent (“LOI”). NHD may adjust the allocation amount based upon final pricing. Project Sponsors must provide a letter from the Equity Investor indicating final pricing by the 270-day test deadline.
* Include confirmation letters from other funding sources.

## Authorization and Due Formation.

The application must include:

* evidence that Applicant/Co-Applicants are duly formed legal entities authorized to transact business in Nevada and in good standing with the Office of the Secretary of the State of Nevada (NSoS) (requirements for certain entity types are below);
* information of any outstanding litigation filed against this entity or the principals;
* a statement identifying all Persons with ownership interests in each Applicant/Co-Applicant and all Persons involved in their management.

If the Applicant/Co-Applicant entity type does not fit within one of the categories below, then the application must include the applicable entity documents and certificates. All documents from Secretaries of State (or the equivalent) must be dated within 30 days of the Submission Date.

1. Corporations (for profit).
	1. Copies of the Articles of Incorporation and Bylaws.
	2. If the Applicant, or any Co-Applicant, was incorporated in Nevada, a certificate of good standing issued by the NSoS confirming the legal existence of the entity as of the date of the certificate (“Certificate of Good Standing”).
	3. For Applicants/Co-Applicants incorporated in another state, a certificate of good standing or its equivalent from the state of incorporation confirming the legal existence of the entity and a certificate of good standing to transact business in Nevada (“Certificate of Authority”) for such foreign corporation, issued by the NSoS.
2. Limited Partnerships. Limited Liability Partnerships, and Limited Liability Limited Partnerships (collectively “Limited Partnerships”).
	1. Copies of the partnership agreement and any amendments.
	2. If the Applicant, or any Co-Applicant, is a Limited Partnership organized under the laws of Nevada, a certificate of existence issued by the NSoS confirming the legal existence of the entity (“Limited Partnership Certificate of Existence”).
	3. For Applicants/Co-Applicants organized under the laws of another state and doing business in Nevada: (i) a Limited Partnership certificate of existence or its equivalent from the state of organization confirming the legal existence of the entity; and (ii) a Certificate of Authority to transact business in Nevada for such foreign limited partnership from the NSoS.
3. Limited Liability Companies.
	1. Copies of the Articles of Organization and Operating Agreement.
	2. If the Applicants/Co-Applicants organized under the laws of Nevada, a Certificate of Good Standing issued by the NSoS confirming the legal existence of the entity.
	3. For Applicants/Co-Applicants organized under the laws of another state and doing business in Nevada:
4. a certificate of existence or its equivalent from the state of organization confirming the legal existence of the entity; and
5. a Certificate of Authority issued by the NSoS for such foreign limited liability company.
6. Non-Profit Organizations.
	1. IRS documentation of I.R.C. § 501(c) (3) or I.R.C. § 501(c) (4) status.
	2. A copy of the Non-Profit Organization’s Articles of Incorporation and Bylaws, and all relative amendments, one of which must contain a description of the Non-Profit Organization and its activities that include the fostering of low-income housing in its Articles of Incorporation or Bylaws, as may be amended.
	3. The names of board members.
	4. If the Applicant/Co-Applicant was incorporated in Nevada, a Certificate of Good Standing issued by the NSoS confirming the legal existence of the entity as of the date of the certificate.
	5. For Applicants/Co-Applicants incorporated in another state and doing business in Nevada, a certificate of good standing or its equivalent from the state of incorporation confirming the legal existence of the entity and a Certificate of Authority to transact business in Nevada for such foreign corporation issued by the NSoS.

Copies of all entity documents and certificates must be file stamped and/or completely executed, as applicable.

The ownership entity partnership or LLC receiving the LIHTC allocation must legally exist and submit the necessary documentation prior to NHD issuing a Carryover Agreement.

## Project Site Control Documents.

Site Control for all of the land needed for the proposed project must be evidenced by one of the following:

* A fully executed and legally enforceable purchase contract (PSC) or option to purchase (Option) that identifies any prior interest in the land or business dealings between seller and buyer.
* A written, legally enforceable governmental commitment to transfer the real property to the Applicant/Co-Applicants (a “Government Commitment”).
* A recorded deed evidencing the transfer of the real property to the Applicant/Co-Applicants along with a copy of the owner’s policy of title insurance.

PSCs, Options and Government Commitment (collectively, “Commitment”) must provide for an initial term lasting at least until December31st of the LIHTC reservation year (Initial Term). This Initial Term must not be conditioned upon any extensions requiring seller consent, additional payments, financing approval, LIHTC award or other such requirements. The Commitment must not require any additional actions on behalf of the Applicant/Co-Applicants during the Initial Term which could allow the seller, option holder, or governmental agency to terminate if the action is not fulfilled. The application must include evidence of having paid any required escrow.

Applicants utilizing land from the Bureau of Land Management may submit documents evidencing substantially similar or equivalent site control.

## Zoning and Phase I Environmental Study for Project.

Applicants/Co-Applicants must provide documentation establishing that the proposed project is on appropriately zoned land and that no discretionary permits are necessary (only requires an administrative review for building permits).

Applicants or Co-Applicants must submit a completed and current (no more than two years old as of the application deadline) Phase I Environmental Study for all portions of the real property.

The Division may require a Phase II and/or hazardous material report by licensed professionals (an architect, building contractor, or Applicant/Co-Applicants will not suffice). The application must also include a plan and projected costs for removal.

## Experience, Compliance, and Financial Background.

## Low-Income Housing Experience.

NHD will determine Applicants’/Co-Applicants’ eligibility based on the track record and capacity of the overall development team. The evaluation will be based on staff knowledge and the materials below. Applicants/Co-Applicants with no prior LIHTC experience must either enter into joint ventures or hire knowledgeable consultants.

Applicants/Co-Applicants An application must include the following:

* + - 1. An Exhibit providing a description of up to three housing projects which the Applicant/Co-Applicants developed and operated, including:
				* the name and location of the projects;
				* the date the of funding awards;
				* for prior low-income housing projects located outside Nevada, the identification of the allocating or administering authority and the contact person;
				* the placed in-service date;
				* the period of time from commencement of lease-up to stabilized occupancy;
				* current occupancy levels; and
				* the permanent financing sources.
		1. An organizational chart that describes the relationships, whether through ownership, contract or control, between the Project Participants.
			1. Resumes of the principals, other supervisory employees, and company/organization. Financial Statements of the owners for the past two years.
		2. Financial Statements of the owners, the General Contractor, and Property Management Company for the prior two full calendar years.
		3. An explanation of all identities of interest and relationships between the various Project Participants and/or the Applicant/Co-Applicants.

Applicants/Co-Applicants proposing a Special Needs projects must demonstrate a minimum of three years of relevant experience verified by a dated document, such as articles of incorporation. The Applicant/Co-Applicant must submit a list of all of the housing units developed in chronological order commencing with the year the first project was placed in service.

## Compliance History.

The application must include an addendum listing all LIHTC or other Low-Income housing projects the Applicant/Co-Applicants developed, operated, received or shared rights to control, sold or exchanged an award, or has a legal connection. For each project the addendum must state:

* that the project is and always has been in compliance; or
* compliance violations within the past three years not cured within the applicable cure period and/or outstanding compliance violations cited by federal, state or local funding/allocating agencies.

A project in material non-compliance resulting in a Form 8823 or other similar notification may result in the application being ineligible. The Applicant/Co-Applicant gives the Division permission to contact State Housing Finance Agencies or other funding sources to discuss compliance history.

## NHD Fees.

Applicants/Co-Applicants must be current on any debt or fees owed to the Division.

## 13.10.4 Background Disclosures.

The application must include a disclosure (“Background Disclosure”) for all persons who have an ownership interest in the Applicant/Co-Applicants identifying the following:

* all bankruptcies within the seven years prior to the Submission Date with the jurisdiction and case number in which the person has been involved as an owner of a debtor entity, or personally as debtor, along with a statement of the status of the case;
* all projects with which the person has been involved which were the basis for a Notice of Default, specifically identifying the project, source of the notice, and outcome;
* all projects with which the person has been involved lost to foreclosure or surrendered pursuant to a deed in lieu, specifically identifying the project, all involved parties, and the outcome;
* all notices of violation or disciplinary action by any regulatory body, licensing entity, ethics commission, disciplinary board or similar entity in the seven years prior to the Submission Date with a description of the status or outcome (includes any Fair Housing Act, accessibility, or discrimination violation);
* if the person has been convicted, is currently under indictment or complaint, has been found liable, or is currently accused of fraud or misrepresentation.

The Background Disclosure(s) must specifically affirm which of the above do not apply (e.g., John Doe has never declared bankruptcy) and bear a notarized signature. The Division may request additional information from the Applicant/Co-Applicant.

The Division may reject an application based on the information in the Background Disclosure.

Applicants/Co-Applicants may request an initial review of their Background Disclosure prior to the Application Deadline. Any changes between this information relative to the material in the final submission may result in the application being ineligible.

## 13.11 Nevada-Based Companies and Products.

The application must include:

(1) Nevada based companies – Applicant/Co-Applicants will employ at least two third-party Nevada based companies (i.e., contractors, accountants, attorneys, architects) in the development process and provide certification upon Division request.

(2) Nevada products Applicant/Co-Applicants will submit a list of products and goods manufactured by Nevada-based corporations that will be incorporated into the development and provide certification upon Division request.

## 13.12 Project Security and Management.

## Security Options

All projects (excluding eventual tenant ownership) must provide three of the following:

* + - * Project fencing
			* Security doors
			* Screens and gates
			* Gated project access control systems using keypads and magnetic cards
			* Self-locking door mechanisms
			* Project/unit camera surveillance with on-site closed-circuit monitor
			* Emergency lighting
			* Burglar alarms

Other similar protective measures may qualify.

## Mandatory Security and Safety Measures.

All multi-story new construction projects with 40 or more units (excluding eventual tenant ownership) will install closed-circuit monitoring and fire suppression sprinklers. Other projects must either do the same or provide alternatives if approved by the Division.

## Security Reporting.

Project Sponsors will provide information on security-related issues, including building evacuation procedures, documentation of building break-ins, vandalism and public safety concerns, police reports, and plans.

##

## 13.12.4 Management

A management company representative and on-site manager directly involved in the management of the project attend at least one of the Division’s Annual Compliance training sessions.

The Division may deny participation and or request a change in a management company currently under review for compliance related and/or is debarred.

## 13.13 Agreement to Participate in the Division Data Surveys and Reports.

Project Sponsors must participate in all NHD surveys and submit a quarterly report detailing efforts made to outreach to small businesses within Nevada for contractor, subcontractor, or other services. The report should include information on bidding and requests for services and the results of these efforts.

## Landscaping and Project Plans.

Plant material must be appropriate to the local climate and should reflect a high sensitivity towards water conservation while being aesthetically appealing.

1. Plans must be 11” x 17” and indicate the following:
	* Street name(s) where site access is made, site acreage, planned parking areas, layout of building(s) to scale, any flood plains that will prohibit development, retaining walls, and adjacent properties with descriptions.
	* Front, rear, and side elevations of all building types (use of 1/8” or 1/16” scale for buildings).
	* Site acreage.
2. Site and floor plans must be 11” x 17” and indicate the following:
	* Location of, and any proposed changes to, existing buildings, roadways, and parking areas.
	* Existing topography of site and any proposed changes including retaining walls.
	* Landscaping and planting areas (a plant list is not necessary). Indicate any existing site timber or natural areas that will remain throughout construction.
	* Amenities in units with a depiction (e.g., patios) or call out (e.g., pull cord).
	* Location of site features, such as playground(s), gazebos, walking trails; refuse collection areas, postal facilities, and site entrance signage.
	* The location of units, elevators (if any), common areas and other spaces using a minimum scale of 1/16” = 1 inch for each building.
	* For projects involving renovation and/or demolition of existing structures, proposed changes to building components and design.
	* The location of Security Features identified in Section 13.12.1.

## Local Jurisdiction Notification.

Applicants/Co-Applicants must provide the Division evidence of delivery of and a copy of the letter notifying the chief executive officer or equivalent of the local jurisdiction within which the project is located. The letter must indicate the jurisdiction may send any comments to the Applicant and the Division.

NHD may waive the requirement in this section subsequent to relevant changes in the Code.

## Internet Access.

All projects will include infrastructure for broad-band internet connection in all units.

## Promoting the Division.

All Applicants/Co-Applicants must promote the Division’s participation in the project during construction (see Exhibit 4 of the LIHTC Application).

## Promoting the Property.

All Applicants/Co-Applicants must promote the project on the www.NVHousingSearch.org website beginning with lease-up and through the extended use period.

##  Post-Award Changes.

At all times after the award, the Project Sponsor is responsible for promptly informing the Division of any changes or alterations which deviate from the final plans and specifications. Failure to do so may result in a reduction in the LIHTC allocation or recapture. In particular, owners must not make any material change in the site layout, floor plan, elevations or amenities without written authorization from the Division, including changes required by local governments.

## SECTION 14 PROJECT SCORING

## 14.1 Scoring Documentation

An application will not receive points for items where information is missing, incomplete or unclear.

Back-up documentation for scoring factors must be in the appropriate scoring section and cannot be submitted after the Application Deadline. NHD staff may request clarification prior to awarding points. Applications do not need to include additional copies of the same information in different locations but instead can make a reference.

## 14.1.1 Maximum Points.

The maximum number of points is 127

The Division will rank each application within each set-aside and geographic sub-account. Applications may lose points based on deductions in Section 22.

## Project Type Priorities.

The Division will group applications according to project types below within each geographic sub-account and award point to the two with the highest scores, including Tie Breakers section (Section 14.5). Eventual tenant ownership projects are not eligible for scoring in Section 14.2.

## Senior Housing Age 55 and Older.

The project with the highest average per unit square footage will receive 10 points; the second highest will receive 5 points, subject to the following limitations.

* For new construction, studio and one-bedroom units cannot exceed 650 square feet and no other unit, regardless of the number of bedrooms, can exceed 850 square feet. Additionally, at least 10% and no greater than 40% of the total units in the project can be two-bedroom units.
* Acquisition and rehabilitation projects are not subject to the unit mix and unit square footage limits. However, the average square footage calculation will be capped for all senior projects at 730 square feet as calculated based on indoor conditioned space.

## Special Needs Housing Projects

NHD will rank applications on the following factors:

* 70% the number of months of experience;
* 30% the number of housing units developed.

In the example below, Applicant One possesses 12 years of experience providing services to homeless individuals and has produced 250 units housing. Applicant Two possesses seven years of experience providing services to developmentally disabled people and has produced 300 units. The scoring is as follows:

|  |  |
| --- | --- |
| **APPLICANT ONE** | **APPLICANT 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 10 points; the second highest score will receive 5 points. Projects electing to compete under Special Needs must score a minimum of 4 points in **Section 14.4.3 Supportive Services** to be considered for this project category.

## Projects for Individuals.

NHD will rank applications according to the highest residential gross net square footage of Restricted and Unrestricted units combined and all units must conform to number and size restrictions. Projects for individuals must be Studio, 1-Bedroom and 2-Bedroom units. No unit shall exceed 850 sq. ft. Studios and 1 bdrm. units will not exceed 650 sq. ft., and studios are restricted to no more than 50% of the total number of units. Two-bedroom units shall not exceed 850 sq. ft. and must be limited to no more than 10% of the total number of units. The project with the highest residential gross square footage will receive 10 points, the next highest will receive 5 points. Unrestricted units are included in the residential sq. ft. calculation and must conform to the number and size restrictions.

## Projects for Individuals with Children/Families.

NHD will rank applications based on the highest average residential per unit square footage of Restricted and Unrestricted units combined; to be determined by calculating the total amount of residential square footage divided by the total number of units. In the event that two or more projects within this project type category have the same square footage, the Tie Breakers section (Section 14.15) will apply. The application with the highest per unit square footage in the project will receive 10 points; the second highest scoring project will receive 5 points.

## Mixed Income Projects.

NHD will rank Mixed Income Project applications based on the highest percentage of market-rate units that exceed the minimum requirement of 10%. The square footage and bedroom size of both the market-rate and restricted units mustbe proportional; targeting smaller units with fewer bedrooms as LIHTC units is not allowed.

Restricted units may be confined to specific building(s) as long as the square footage and unit mix is proportional to the market-rate units and the buildings are 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.

## Mixed Use (or Multi Use) Projects.

NHD will rank Mixed Use Project applications based on the highest residential square footage. In the event that two or more projects have the same value, the Tie Breakers section (Section 14.15) will apply. The application with the most residential square footage in the project will receive 10 points; the second highest scoring project will receive 5 points.

## Housing for Veterans; Veterans Preference.

NHD will award 1 point for providing a preference of a minimum of 10% of the total number of restricted and unrestricted units targeted for households in which at least one household member is a Veteran (USDA-RD projects are not eligible). Units will not be unique or specifically designated. The preference must be part of in the tenant selection plan and the Project Sponsor must provide continuous proof of outreach to Veterans, including which units were given the preference.

## Standard Scoring Factors.

## 14.3.1 Project Location.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| A. Project is located in a Qualified Census Tract AND must be covered by a State or local Concerted Community Revitalization Plan. | 5 |
| B. Project is located in a non-CDBG eligible Census Tract | 5 |
| **MAXIMUM LOCATION POINTS** | 5 |

Concerted Community Revitalization Plan (CCRP) means that a proposed project location is included in a government jurisdiction’s Priorities or Plans for development of affordable housing including housing elements/plans, Redevelopment plans, economic development plans, or Neighborhood Revitalization Strategy Area (NRSA). A CCRP must exist prior to the application for Credits and the plan must have more components than simply the development of the property in question. A resolution adopted by the local government jurisdiction indicating that the project is part of a local CCRP or local revitalization plan is required including a copy or reference to the plan provided in the application package. Acceptable CCRP plans will include specific geographic targeting and have housing as a key component.

## Site Control.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| An entity or individual which/who will have a general partner or managing member interest in the LIHTC ownership entity holds title in fee simple to the project site, including land and improvements. | 5 |
| **MAXIMUM PROJECT READINESS POINTS** | **5** |

## Additional and Threshold Project Amenities.

All shared amenities among development phases or an adjacent/nearby project are eligible for ½ the point value listed. Required amenities are not eligible for points.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| **Project Amenities – Development Has:** |
| A. Picnic area equipped with, for each 100 units, a minimum of three charcoal or gas barbeque units and one 6’ picnic table with benches on separate concrete slabs no less than 200 square feet evenly distributed throughout the project (does not apply to Tenant Ownership Projects), no additional points for covers or canopies. | 1 |
| B. Swimming or lap pools for projects with more than 50 units (does not apply to Tenant Ownership Projects). | 3 |
| C. [reserved] |  |
| D. A children’s 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, and minimum five-foot high rod iron fence with gate that locks. The 20x20 concrete areas shall have a Cool Deck type of surface. The water must recycle. (Applies to Family Rental and Tenant Ownership projects only.) | 3 |
| E. 500 square foot community room in projects with 39 units or less developed under the project category “Projects for Individuals with Children and Families with Children.” | 3 |
| F. In ground spa that is a minimum of eight ft. in diameter with seven jets, booster pump, blower, 20-minutes time and 300,000 BTU |  |
| G. Equipped weight/exercise room that is a minimum 200 square feet and has at least three exercise machines (does not apply to Tenant Ownership Projects). | 3 |

|  |  |
| --- | --- |
| H. Computer/study room with full Internet access that is a minimum of 100 square feet and is equipped with at least one computer for every 20 units (computers specification must meet or exceed 1.8 GHz 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 |
| I. Library and/or reading room supplied with at least 50 books. | 1 |
| J. [reserved] |  |
| K. Recreation areas worth 1.5 points each: Shuffle Board, Horseshoe Pits, Sand Volleyball Court, Pool Table, Piano, or Dog park that is a minimum of 300 sq. ft., fenced and equipped with a sitting bench and a shade tree/structure. | 3 |
| L. Business center equipped with a scanner and copier machine reserved for resident use in projects with fewer than 50 units. | 2 |
| M. Wellness room equipped with a medical grade exam table and secure medical cabinets to ensure no equipment or medications would be subject to inventory reduction. | 2 |
| N. Automatic openers on common area doors which are required by the building code to have automatic closers. (For the purposes this category, common areas are those available for use by tenants and their guests.) Excluded doors are those of the apartments and rooms intended for use primarily by property management and maintenance staff. Only one door per room is necessary unless the entrance and exit are part of the building egress route.  | 3 |
| **Tenant Unit Amenities – Each Unit Has:** |
| O. Picnic area equipped with one charcoal or gas unit and 6’ picnic table with benches on 64 square feet concrete slab or in patio area (Tenant Ownership Projects only). | 1 |
| P. Air conditioning (applicable only outside of Clark County). | 3 |
| Q. Hard surface throughout unit (e.g., ceramic tile, quarry tile, roto-vinyl, resilient vinyl composition tile, hardwood flooring or bamboo flooring; etc.). | 2 |
| R. Covered patio area on concrete slab with roof that is a minimum of 64 square feet. (Tenant Ownership Projects only) or Patio or balcony area that is a minimum of 48 square feet (all other project types). | 2 |
| S. Attached two-car garage (Tenant Ownership Projects only) or Covered parking spaces (all other project types). | 3 |
| T. Enclosed exterior wood-framed storage structure that is a minimum of 24 square feet. | 2 |
| U. [reserved] | - |
| V. Washer/dryer hooks ups in projects with 39 units or less developed under the project category “Projects for Individuals with Children and Families with Children” (no points awarded if required). | 2 |
| W. Washer/dryers provided in each unit. (includes hookups) | 3 |
| X. Free individual internet in each unit. | 2 |
| Y. A minimum of one ceiling fan in the living room and one in the master bedroom. | 1 |
| Z. Security doors on front and back entrances (Tenant Ownership Projects only). | 1 |
| AA. Covered front porch (applies to Tenant Ownership Projects only). | 1 |
| BB. Agreement to establish a no-smoking (lit tobacco products) policy for all buildings (including all indoor common areas, units, and balconies/patios) and within 25 feet of buildings and include a non-smoking clause in the lease for each household. | 1 |
| CC. Entry screen front door (Tenant Ownership Projects only). | 2 |
| DD. Minimum of two storage cabinets in attached garage in units (Tenant Ownership Projects only). | 2 |
| EE. Storage shelves in attached garage (Tenant Ownership Projects only). | 1 |
| FF. Garage door opener (Tenant Ownership Projects only). | 2 |
| GG. Lighted walkway to the home (Tenant Ownership Projects only). | 2 |
| HH. Community garden in one large plot or divided into individual plots supported by drip irrigation or has access to water at the garden site. Minimum total area for planting 500 square feet. Community Manager responsible for assigning plots, maintaining area and providing initial soil. Residents responsible for tools and materials required to plant and grow items. | 1 |
| II. Removable cabinet fronts at all kitchens and bathroom sinks in all apartments (Special Needs and Senior Projects only). | 2 |
| JJ. Exceeding the 5%&2% requirement by making 21% of units (15% mobility /6% A-V) adaptable/accessible. | 3 |
| KK. Grab bars at all bathtubs and showers in all apartments specified for handicapped use. | 2 |
| **MAXIMUM AMENITIES POINTS** | **25** |

In addition to points for new amenities to be added, Acquisition/Rehabilitation applications will earn points for proposing upgrades to existing amenities identified as necessary in the Capital Needs Assessment.

Threshold Project Amenity Requirements

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Projects serving Individuals>=40Units | Projects\* serving Families>=40Units | Projects serving Individuals<40 Units | Projects serving Families<40 Units | Senior Housing Projects | Rent to Own Projects | All Other Projects>=40Units |
| Community Area | X | X |  |  | X |  | X |
| Washer/ Dryer | X | X | X |  | X | X | X |
| Playground |  | X |  | X |  |  |  |
| Handrails |  |  |  |  | X |  |  |
| Elevator |  |  |  |  | X |  |  |
| Area Requirement |  |  |  |  |  | X |  |
| Min 5,000sq. ft. Lot |  |  |  |  |  | X |  |
| Min 1-Car Attached Garage |  |  |  |  |  | X |  |

\*Does Not Apply to Scattered Site Single Family Projects.

The Division may waive one or more required project amenities for Acquisition/Rehabilitation or scattered-site projects. Applicants/Co-Applicants must submit their request in writing, along with reasoning as to why the amenity or amenities cannot be provided as part of their application.

**Community Area** -Minimum of 500 square feet, 50-inch color TV, entertainment system (stereo, DVD, VHS 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, Energy Star refrigerator, microwave oven, sink, garbage disposal, with resilient and/or ceramic tile floor.

**Washer and Dryer**- Hook-up in each unit and/or on-site laundry facilities with a minimum of one washer and dryer for every 10 units of housing. Washing machines must be Energy Star rated.

**Playground** - that includes a Powerscape, GameTime or equivalent play set, a tot lot in a softball aggregate or equivalent site of at least 500 square feet.

**Handrails**– Installed including related hardware (grab bars, and lever handled hardware for doors) compliant with the Fair Housing Act and ADA.

**Rent to Own Area Requirement** - Minimum of two-bedroom units with an average of 1,200 square feet of residential per unit excluding garages, outdoor patios, etc., but not less than 1,000 square feet of residential area or minimum allowed per local zoning.

**Rent to Own Lot Requirement** - Minimum of 5,000 square feet or minimum allowed per zoning.

## Nevada Based Applicant

Up to two (2) points will be awarded to projects if the Applicant or Co-Applicant is based in Nevada. To be deemed as based in Nevada, an Applicant or Co-Applicant that is a natural person must be a resident of Nevada. If the Applicant or Co-Applicant is a business entity, it must meet the criteria below:

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| **Threshold Requirement**: Applicant/Co-Applicant is organized as a corporation, limited liability company, partnership or other business entity under the laws of the State of Nevada and has been in existence for at least 12 months prior to the Application Deadline. |  |
| Applicant and/or Co-Applicant maintains an office in Nevada from which a general partner, managing partner, manager, president, chief financial officer, chief operating officer or other principal officer of the Applicant/Co-Applicant conducts business, ANDApplicant and/or Co-Applicant maintains at least one employee or staff member at an 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 above as well as the project representative identified within the application. | **2** |
| **MAXIMUM NEVADA BASED APPLICANT POINTS** | **2** |

## Reserved.

## Affordability Period.

Applications will receive one point for each additional 5- year period of affordability, not to exceed 50 years.

|  |  |
| --- | --- |
| **RATING FACTOR** | **POINTS** |
| One point for each 5 years of extended affordability. |  |
| **MAXIMUM AFFORDABILITY PERIOD POINTS** | **4** |

##

## Water Efficiency of Landscape Design.

|  |  |
| --- | --- |
| **RATING FACTOR** | **POINTS** |
| Verification from an architect or landscape architect of at least 75% desert and/or xeriscape landscaping. |  |
| **MAXIMUM LANDSCAPING DESIGN POINTS** | **5** |

## Historical Character.

|  |  |
| --- | --- |
| **RATING FACTOR** |  |
| A letter from the Nevada State Historic Preservation Office with a determination that the project contributes to the historic preservation, documentation and/or use of cultural resources. |  |
| **MAXIMUM HISTORIC CHARACTER POINTS** | **3** |

## Smart Designs.

Applicant/Co-Applicants must provide specific verifiable documentation for all points claimed, including pictures with referenced landmarks and/or legible signs indicating bike and pedestrian paths for points if there is no official documentation on a map or website.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| A Site Location – Up to five points will be awarded. |  |
| 1) The site (or designated center of scattered-site projects) is within ¼ mile of at least three of the following: grocery, pharmacy, bank, school, day care, parks, community centers, medical facilities, library, place of worship, post office (proximity to day care facilities is not applicable for Senior Housing projects). | 2 |
| 2) The site (or designated center of scattered-site projects) is within ¼ mile of a designated pedestrian/bicycle path aside from sidewalks. | 1 |
| Clark and Washoe Counties:3) Within 0.25 miles of a bus stop with service beginning no later than 7:00AM and ending no earlier than 7:00 pm, Monday through Friday. or school bus stop (school bus stop is not applicable for Senior Housing projects).OROther CountiesThe site is within ½ mile of a local transit route or school bus stop (school bus stop is not applicable for Senior Housing projects) | 1 |
| 4) Project is USDA funded | 6 |
| 5) [Reserved]. |  |
| B The installation of renewable energy sources (e.g., photovoltaics, wind power) that offset the project’s total estimated electricity demand by:* Demand is at least 5% (2 points),
* Demand is 5% and ≤ 12.5% (4 points),
* Demand is > 12.5% and ≤ 20% (6 points),
* Demand is > 20% (8 points).

Application must contain a report by an electrical engineer detailing the project’s projected energy demand and a plan for installing enough renewable energy to produce the percentage offset. | 2/4/6/8 |
| C Foam board wall sheathing used on exterior walls (minimum R-4 nominal in southern Nevada and R-5 nominal in northern Nevada) or blow- in/spray fiberglass, cellulose or foam wall insulation. | 2 |
| D Structural insulated panels (SIPs) or insulated concrete forms. | 2 |
| E Energy Star water heaters: gas, tankless condensing, or solar. (1 Point)Energy Star water heaters: Electric Heat Pump (2 points)Commercial water heaters or boilers (1 Point)Appliances with a thermal efficiency of 94% or higher (1 Point)The appliances must conform to Division Energy Standards and be approved by ERH West within 60 days of application (send requests no later than 14 days prior to the application deadline) Applications must include the exact specifications, make and model and the approval response. | 1/2 |
| **MAXIMUM SMART DESIGN POINTS** | **16** |

## Superior Project.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| A. The project with the lowest amount of LIHTCs requested per person receives 4 points; the second lowest receives 2 points. The 4/2 points is available to only two projects each in the regions of Clark County, Washoe County and Other counties. The calculation involves multiplying 1.5 persons per bedroom x # of bedrooms (1.0 person per studio) and dividing the total number of people into the amount of LIHTCs. | 4/2 |
| B. Total development cost per unit:**Clark County**New Construction (All Projects)$190,000 or lower 8 points$190,001 to$195,000 6 points$195,001 to$200,000 4 points$200,001 to$205,000 1 point ORAcquisition/rehab projects (All Projects)$130,000 or lower 8 points$130,001-$135,000 6 points$135,001-$140,000 4 points$140,001-$145,000 1 point ORNew Construction (Projects for individuals)$170,000 or lower 8 points$175,001 to$180,000 6 points$180,001 to$185,000 4 points$185,001 to$190,000 1 pointAll other countiesNew Construction (All Projects)$220,000 or lower 8 points$220,001 to$225,000 6 points$225,001 to$230,000 4 points$230,001 to$235,000 1 point ORAcquisition/rehab projects (All Projects)$150,000 or lower 8 points$150,001-$155,000 6 points$155,001-$160,000 4 points$160,001-$165,000 1 point  ORNew Construction (Projects for individuals)$205,000 or lower 8 points$205,001 to$210,000 6 points$210,001 to$215,000 4 points$215,001 to$220,000 1 point | From 0 Up to a maximum of 8 |
| C. Project includes the acquisition/rehabilitation of a foreclosed, vacant, or abandoned building, or the reuse/conversion of an existing non-residential building. | 2 |
| D. [RESERVED] |  |
| E. Project includes the preservationof existing LIHTC units—excluding USDA- RD projects. | 2 |
| F. Any preservation project with a letter of support from the USDA-RD office. | 5 |
| G. At least 25% of the units receiving Project Based Rental Assistance (verified by a Housing Assistance Payment Contract) | 2 |
| H. Project Sponsor will pay electric, gas, and heating and/or cooling utility charges. | 2 |
| I. New Construction developments in Clark County with a minimum of 60 units and 40 units in remaining counties. | 5 |
| **MAXIMUM SUPERIOR PROJECT POINTS** | **21** |

## Special Scoring Factors.

## Low Rent Targeting.

Points will be awarded by multiplying the percentage of the total restricted units within each level(s) by the rent income level percentage.

For example:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **PROJECT ONE** | **PROJECT TWO** | **PROJECT THREE** |
| **NUMBER OF UNITS** | 40 | 40 | 52 |
| **DISTRIBUTION OF UNIT RENTS** | All with 40% rents | 15 with 40% rents25 with 45% rents | All with 45% |
| **SCORING** | 100% x .40 | 37.5% x .40 = .15 plus62.5% x .45 = .2813 | 100% x .45 = .4500 |
| **SCORE** | **.4** | **.4313** | **.4500** |

 A. All Projects except Rent to Own

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| (Weighted Average Rent Level) |  |
| <40% | 6 |
| 40% and <42% | 4 |
| 42% and <45% | 3 |
| 45% and <50% | 2 |
| MAXIMUM | 6 |

B. Rent to Own Projects Only

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| 60% - 100% of units at 60% income rent level or below. | 6 |
| >60% - Projects with less than 100% of units at 60% income rent level or below. | 4 |
| MAXIMUM | **6** |

## Low-Income Targeting.

Two (2) points for a signed letter agreeing to restrict rents/and incomes to not exceed the 50% limit for all LIHTC units (Project Sponsors may still opt for the 40/60 set aside).

## Supportive Services.

A maximum of six (6) points based on the number of supportive services provided to tenants.

The Applicant/Co-Applicant must document how the service will be provided and paid for. The service must be available with no mandatory fees to all tenants for the times stated below and provided by the Project Sponsor using project/organizational resources or through a signed contractual agreement. The Project Sponsor must ensure the service provision for the initial 15-year compliance period, not allow more than a 30-day gap in provision, and notify the Division within 7 days of the termination of agreements/contracts.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| A. On-site van service with minimum two - day per week operating schedule. | 2 |
| B. On-site service coordinator for minimum 10 hours per week (in an on-site office). | 2 |
| C. On-site service coordinator for minimum 20 hours per week (in an on-site office). | 4 |
| **MAXIMUM SUPPORTIVE SERVICES POINTS** | **6** |

## Lowest Developer Fees.

One point for each 1% reduction in developer fee (taken to two decimal places and not rounded up or down), up to a maximum of five, based on figures provided in the application.

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| **A. Less than 11%** | **5** |
| **B. 11.0% to 11.99%** | **4** |
| **C. 12.0% to 12.99%** | **3** |
| **D 13.0% to 13.99%** | **2** |
| **E 14.0% to 14.99%** | **1** |
| **F. >15%** | **0** |

## Low Contractor Fee

One point for each 1% reduction in Contractor Fees, up to a maximum of three, based on figures provided in the application. Contractor Fee includes the builder’s/contractor’s profit, overhead and general requirements

The amount of the Contractor fee may increase later as long as it does not deviate from the percentage claimed in the original application (carried to three decimal places).

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| **Less than 12%** | 3 |
| **12 % to 12.99** | 2 |
| **13 % to 13.99** | 1 |
| **>14** | 0 |

## Affordable Housing Incentive.

Applications can meet three factors below individually or collectively

|  |  |
| --- | --- |
| **RATING FACTORS** | **POINTS** |
| 1. An arm’s length transfer of real estate to the Applicant/Co-Applicants for a nominal cost.

Price is > 10 and ≤ 15% of FMV = 1 pointPrice is > 5% and ≤ 10% of FMV = 2 pointsPrice is > $1,000 and ≤ 5% of FMV = 3 points | 3/2/1 |
| B. Funding sources are limited to:1. The local PHA, Tribal Housing Authority or Tribal Housing Department
2. Community Development Block Grant (CDBG) or Indian Community Development Block Grant (ICDBG) program funds
3. HUD 202, 811 or USDA-RD 515
4. Federal Home Loan Bank Affordable Housing Program (AHP)
5. Established local government housing development funds (i.e., HOME, LIHTF, NHTF, ICDBG, NAHASDA, IHBG or RDA)
6. Bureau of Indian Affairs
7. Third Party (non-related) and non-mortgage funds or grants.

>20.01% of total project costs = 5 points,5.01% to 20.00% of total project cost = 3 points, 5.00% or less of total project cost = 1 point.(taken to two decimal places and not rounded up or down)Other sources of funding may qualify provided they are approved in writing in advance by the Division (approval of a particular source in prior years does not meet this requirement). Applications must include a letter of commitment or interest from the funding source(s). | 5/3/1 |
| **MAXIMUM AFFORDABLE HOUSING INCENTIVE POINTS** | **10** |

## Tie Breakers.

In the event that one or more applications in the same set-aside or geographical account receives an identical number of points, the Division will break the tie by determining the most efficient use by dividing the gross ten-year total amount of LIHTCs by the Total Project Costs. The project with the lowest percentage to two decimal places will win the tie break. If the above fails to break the tie, the Division will conduct a lottery pursuant to NAC 319.990.

Example:

* + 1. Tax-Credit request = $8,000,000 ($800,000 TC request x 10 years)
		2. Total Project Cost = $10,000,000
		3. Tie Breaker ratio = 80.00%

This project would beat a project requiring a 90% TC/TPC ratio

## Compliance History Points.

An application may lose five points instead of being ineligible based on outstanding compliance violations.

## Scoring Appeal Process.

The Division will send preliminary scoring letters; Applicants have ten business days to sign and return the letter or Applicants may appeal their score pursuant to NAC 319.984. Failure to file a timely appeal constitutes a waiver of the right to an appeal.

## PROJECT DEVELOPMENT INFORMATION

## SECTION 15 OPERATING EXPENSES

The Division may request a written justification for Applications with operating expenses higher than $450 per unit/month.

## SECTION 16 ESTIMATION OF UTILITY ALLOWANCE

Applicant/Co-Applicants must estimate the amount of utility allowance by providing a survey of actual utilities being paid in the area or, with Division approval, either use the HUD Utility Model or an alternate method. Surveys must: (1) have been conducted within 12 months of the application; (2) use units within 10% of the square footage located within a radius of 50 miles from the proposed project location; (3) include a sample size of at least 10 units; (4) use the same energy source as proposed for the project; and (5) include the address and square footage of each unit surveyed.

##

## SECTION 17 ELIGIBLE BASIS BOOST

Applicant/Co-Applicants with projects located in Difficult Development Areas (DDA), Qualified Census Tracts (QCT) or meeting any of the following criteria are authorized to utilize 130% of eligible basis:

* Other Counties category,
* located within an Opportunity Zone,
* USDA-RD Set-Aside,
* Special Needs, or
* have deferred at least 30% of the developer fee.

## SECTION 18 TAX CREDIT AWARDS AND POST AWARD PROCESS

## Project Cap/Maximum Reservation.

* + 1. The Division will not award more than $1,250,000 in 9% LIHTCs (the “Maximum Allocation”) to any one Applicant, whether they are applying solely for their own project or are a party to multiple applications. For the purposes of this limit, the term “Applicant” includes the Applicant, Co-Applicant, and any affiliate of either.
		2. The Division’s determination of the Maximum Allocation will include, but not be limited to, how the Developer Fee is split, who is being paid consulting fees, and who is authorized to make decisions as, or on behalf of, the Applicant/Co-Applicants and proposed Project Sponsor(s). All entities including, but not limited to, the Sponsor, Applicant, Consultant, Equity Investors, and other Project Participants must disclose the portion of consulting and development fees they are being paid as part of the application.
		3. This section applies to current year applications and does not include additional LIHTC requests.

## Reserved.

## Tax Credit Return.

The Applicant/Co-Applicant may voluntarily return LIHTC awards before the notification of the Carryover Allocationon **Friday, November 6, 2020**. Project Sponsors returning an allocation after this date may be barred from participating in future LIHTC funding rounds.

## Conditional Reservation.

The Division may award conditional reservations to projects with outstanding issues.

Any project receiving a conditional reservation must cure all conditions by the deadline noted in the reservation letter or the reservation will be cancelled.

**18.4 Ten Percent Test and Carryover Allocations.**

The 10% test deadline will be twelve months from the date of the Carryover Allocation. All information necessary for a Carryover Allocation must be sent to the Division’s Carson City or Las Vegas office and received by 5:00 P.M., Friday, September 18, 2020:

* Payment of the Carryover fee of $3,000.00
* An executed copy of the Declaration of Restrictive Covenants. The original must be recorded within 30 days of the issuance of the Carryover Letter or later if requested by the Applicant (but no later than closing).
* The physical address for each building in the project or the site legal description.
* The Federal Tax Identification Number of the sponsor/owner or partnership that will be used for reporting to the Internal Revenue Service.

The Project Sponsor must meet the 10% test by **November 5, 2021**. Project Sponsors must submit a quarterly construction status report of the project if requested by the Division.

## 18.5 The 270 Day rule.

Pursuant to subsection 1 of NAC 319.981, each project must provide satisfactory proof of having closed within 270 days after the date the Division provides notice of the LIHTC reservation, including:

* Purchased and holds title in fee simple to the project site in the ownership entity’s name.
* Entered into a written agreement with a contractor who is licensed in the State to begin construction.
* Holds all necessary preconstruction approvals required to proceed with construction, including a notice to proceed.
* Obtained adequate financing for the construction of the project.
* Executed a written commitment for a loan for permanent financing in an amount that ensures the project’s financial feasibility.

A project that will not close within 270 days may request Division approval of a 45-day extension pursuant to subsection 2 of NAC 319.981 prior to the deadline.

Continued 45 day extensions beyond the initial request will be at NHD’s discretion. NHD will make the final determination on terminating an LIHTC award based on an extended closing jeopardizing the 10% test or PIS requirement.

## 18.6 Declaration of Restricted Covenants (DRC).

The Project Sponsor must record the DRC upon receipt of Carryover Allocation, or later if approved by the Division, but no later than closing.

## 18.7 Financial and Operations Reporting.

Upon request by the Division, Project Sponsor will submit project information, including but not limited to the following: annual financials, operating costs, reserve status, occupancy, copies of balance sheets, income statements, operating and capital reserve statements, rent rolls, audited financial statements, a letter or note stating the final LIHTC pricing any legal notices, including notices of delinquency, foreclosure, loan demands, and liens, copies of all secured debt loan documents (including original and refinancing,)

## SECTION 19 FINAL TAX ALLOCATIONS OF TAX CREDITS

Once all of the buildings are placed in service, the Project Sponsor may request the IRS form(s) 8609 by providing the following information:

1. Final application with all source/uses/budget information updated.
2. CPA certification of costs, which the Division will consider as the true and correct document. The cost breakdown must be submitted in a manner consistent with data input to the AOD/Emphasys forms.
3. Final energy analysis, inspection and payment. The inspection must indicate that all of the energy saving measures identified in the pre-energy analysis have been installed.
4. Comply with Section 48, Lease-Up Requirement, and timely curing of identified non-compliance.
5. Letter acknowledging project has met American with Disabilities Act (ADA) and Fair Housing accessibility design standards.

## SECTION 20 TAX CREDIT MONITORING

Project Sponsors must abide by the Division’s *Low-Income Housing Tax Credit Compliance Policies and Procedures Manual*, incorporated herein by reference.

## SECTION 21 FEES

All fees paid to the Division are non-refundable.

1. Application Fee

The application fee is $3,000 for both 9% LIHTC and 4% Bond projects. Bond projects are required to pay this fee upon submission of the application and 8609s.

1. Reservation Fee

A reservation fee equal to 9.5% of the Tax Credit reservation amount is payable at the time the Division reserves 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 4.75% no later than six months after the date of the reservation. This fee also applies to Bond projects requesting 4% credits. This fee is in addition to the Cost of Issuance fee(s). The reservation fee is due upon receipt of the reservation letter and must be paid within 14 days of the date of the reservation letter.

1. Carryover Allocation Fee

An administrative fee of $3,000 for each Carryover Allocation.

1. Compliance Monitoring Fee

An annual fee of **$45** for each low-income unit during the compliance period. The first payment is due when the project is placed in service and thereafter must be paid on or before January 31 of each year for the extended use period. The Division may adjust monitoring fees as necessary on a project-by-project basis.

1. Compliance Training Fee

A fee of **$100** per person to attend the Division’s annual LIHTC Compliance Training.

1. Compliance Monitoring Fee for Second Audit

The Division will charge an additional audit fee equal to the per unit monitoring fee for each unit/file that requires a second audit.

1. Legal Fees

The Division shall be entitled to bill the Applicant/Co-Applicant or Project Sponsor, as applicable, for legal services at up to a rate of **$300** per hour for issues with application and/or project.

The Division shall also be entitled to recover its attorney’s fees, costs and expenses, including court reporter and transcription costs, in any appeal, litigation, arbitration, mediation or other proceeding arising from, as a result of, or pursuant to the 2020 QAP, and/or the resulting LIHTC allocation round, selection process or award determination process, regardless of who initiated or prevails in the litigation, arbitration, mediation or other proceeding.

1. Energy Analysis Fees

The Project Sponsor will reimburse the Division **$1,000** for pre- construction analysis and **$250** per unit with a minimum of 15% of the project, plus mileage and per diem charges at the state rate. If additional testing is required, fees will be due at the time of the re-testing. The $1,000 fee is due at time of energy analysis submission. The **$250** per unit 15% fee is due when testing is completed.

1. Extension Fees

A fee of **$3,000** to request for a 45-day extension to the 270 day closing requirement.

1. Resubmission Fee

A fee equal to 75% of the initial application submission fee if an application was rejected in a previous round or must be changed upon resubmission.

1. Project Changes

A **$1,000** fee payment to request approval of any changes pursuant to Section 26 Changes to the Project.

## SECTION 22 DEBARMENTS, REJECTIONS, POINT DEDUCTIONS

The Division will reject any application that is includedon the HUD, USDA or other federal, state or local Debarred or similar list. In such cases, the Applicant/Co-Applicants will forfeit all application and other fees paid.

In addition to the grounds set forth in NAC 319.974, the Division may reject an application or reduce the score by up to 10 points for the following circumstances:

* 1. The Application is incomplete.
	2. The required materials were not submitted pursuant to the application deadline or within 5 business days of a request by the Division.
	3. The Applicant--or any person who controls the Applicant, including a general partner, shareholder or member who controls or owns an interest in the Applicant of 25% or more, controlled a person of a previous Applicant or project sponsor:
		+ who failed to complete a project in accordance with the application approved by the Division;
		+ who has made a material misrepresentation to the Division concerning LIHTCs; or
		+ has, as determined by the Division, knowingly and/or materially failed to comply with the Code or a declaration of restrictive covenants and conditions concerning a project.
	4. Defaulted or failed to Complete Funding or Construction on a Tax-Exempt Bond Issue.
	5. Defaulted under and/or failed to comply with any HOME, NHTF and/or LIHTC requirement.
	6. Was involved with a LIHTC or Tax-Exempt Bond issue project which was lost to foreclosure or deed in lieu of foreclosure.
	7. Made a misrepresentation, or provided false and misleading information, in any document submitted to the Division or provided any false or misleading information to the Division.
	8. Was convicted of a felony, prosecuted or investigated for fraud or misrepresentation by any governmental agency or was investigated by the IRS for tax fraud or other Code violations.
	9. Defaulted or failed to comply with any of the terms and conditions, including mandatory 15- year and extended compliance, on a Bond or LIHTC Project.
	10. Fails to pay any mandated charges or fees to the Division, or any other governmental agency or authority.
	11. Failed to place in service a LIHTC project awarded LIHTCs within the Code timelines.

## SECTION 23 LEASE-UP REQUIREMENT

Project Sponsors must contact the Division before the earlier of the first building being issued a Certificate of Occupancy or any lease-up. The Division will provide a mandatory orientation to Project Sponsors and on-site property managers.

## SECTION 24 ANNUAL INCOME RE-CERTIFICATION

Sponsors of 100% LIHTC projects must

* perform a complete income recertification upon first anniversary of tenancy, and
* thereafter ensure that all tenants annually complete an Alternate Certification form as prescribed by the Division.

The Project Sponsor must maintain a current Alternate Certification in each tenant file.

The Division may update its regulations concerning tenant annual recertification with at least 15 days’ notice. Additionally, the Division may require annual tenant income recertification at properties where gross negligence or non-compliance has been found.

## SECTION 25 TAX EXEMPT BOND PROGRAM

Applicants/Co-Applicants with Tax Exempt Bond Financed Projects must also meet all of the requirements of the Division’s Tax Exempt Bond Financing program requirements, as same may be amended.

Tax Exempt Bond applications must include evidence of a transfer of 50% of the necessary Private Activity Bond Cap from the local jurisdiction where the project is located (NAC 319.711 and 319.7115) or an Endorsement of the project from the local jurisdiction in lieu of a transfer of less than 50%. The Applicant/Co-Applicants must make a request after an award of bond volume cap by the State Board of Finance, including all applicable fees and a complete application.

To receive 4% LIHTCs on a Tax Exempt Bond project, Applicants/Co-Applicants must comply with the following:

1. The project must meet QAP Section 11, Eligible Project Categories requirements unless the Division determines that the project provides decent, safe quality housing and meets the needs of the tenant population.
2. Final allocation application with all items required in Section 19.
3. The project must be in compliance with the Bond Regulatory Agreement.
4. Comply with the Section 42 50% test.
5. The allowable developer fee for Tax Exempt Bond Financed project may not exceed 15% of the Total Project Cost including the land and excluding the Developer Fee.
6. The Nevada State Board of Finance has approved the issuance of the Tax Exempt Bonds for the project.

##

## SECTION 26 DIVISION NOTIFICATION OF PROJECT CHANGES

The Applicant/Co-Applicant must request approval for any material change to the Project subsequent to submission of an application, including but not limited to those listed below:

* loss of site control or rights of way;
* change in excess of five percent of the total development cost shown in the application;
* Applicant obtains additional subsidies or financing other than those disclosed in the Application; loses subsidies or financing included in the Application; or the amount of any such financing or subsidy changes by 10% or more;
* development cost contributions made by a state or local entity are reduced, increased, withdrawn or substituted with other types of contributions than proposed in the application;
* syndication payment timing and/or net proceeds change from those stated in the application;
* different or new parties involved in the ownership of Applicant/Co-Applicants;
* the unit and project design, square footage, unit mix, number of units, or number of buildings changes (may result in a requirement to produce a new Market Study);
* a change in any support service provider and/or change in type of support services to be provided;
* dissolution, winding up of affairs, sale of assets, merger or business combination of any Applicant/Co-Applicant Project Sponsor, or any Project Participant;
* change in Project Participant(s); and/or
* any other factor the Division deems material in its reasonable judgment.

Failure to notify the Division may result in the rejection of an application or termination of a LIHTC reservation or allocation. A $1,000 fee payment is required at the time of the request for approval.

## SECTION 27 DISCLAIMERS AND LIMITATION OF LIABILITY

The Division makes no representations to the Applicant/Co-Applicant, Project Participants, and Equity Investor or to any other Person as to Project eligibility or compliance with the Code, IRS Treasury regulations, or any other laws or regulations governing the LIHTC program. Applicants/Co-Applicants, Project Participants, Equity Investors and all other Persons participate in the LIHTC program at their own risk. No member, officer, agent or employee of the Division or the State will be liable for any claim arising out of, or in relation to, any Project or the LIHTC program including claims for repayment of construction, financing, carrying costs, any loss resulting from a decision of the IRS, or consequential damage or loss of any kind incurred by an Applicant/Co-Applicant, Project Participants, Equity Investor, or any other Person.

## SECTION 28 PUBLIC COMMENTS, DISTRIBUTION AND APPROVAL OF THE QAP

Submit public comments are to be submitted to the Division in writing, by letter, fax or email by 5 p.m. five (5) business daysbefore any noticed public hearing, meeting or workshop. Verbal comments will be received at the public hearing.

The 2020 QAP was adopted by the Administrator on January 31, 2020.

## SECTION 29 NEVADA HOUSING DIVISION OFFICES

Questions, suggestions and comments should be directed to **Mark Licea, Loan Administration Officer.**

702.486.5980 or MLicea@housing.nv.gov.Facsimile number 702.486.7227.

1. Carson City

The Division’s Carson City office is located at: 1830 East College Parkway, Suite 200, Carson City, Nevada 89706.

1. Las Vegas

The Division’s Las Vegas office is located at 3300 W. Sahara, Suite 300, and Las Vegas, Nevada 89102.

## SECTION 30 MODIFICATIONS TO QAP AFTER ADOPTION/WAIVERS

The Division may amend or modify the QAP after adoption and posting, including its compliance and monitoring provisions. Any amendments or modifications will be published in a Program Notice and/or Program Bulletin posted on its website.

The Division may waive any section of any year’s QAP (not otherwise required by IRC Section 42) that would under such circumstances hinder the ability to meet the QAP goals and priorities.

## GLOSSARY

**“Applicant”** means any person or persons who submit an application to the Division under a QAP for an award of LIHTC pursuant to the provisions of NAC 319.951 to 319.999, inclusive who will actively participate in the development of the LIHTC project being proposed, receive the majority of the Developer Fee and be responsible for ensuring that the development of the proposed project is accomplished and that the project is successfully operated. Applicant includes Co-Applicants unless context dictates otherwise.

**“Application Deadline”** shall be specified in Section 2A.

**“Carryover Allocation”** and **“Carryover Allocation of Tax Credits”** means an allocation pursuant to either: (i) each building in the project has satisfied the requirements of Section 42(h)(1)(E) of the Code; or (ii) in the case of a project-based allocation, of Section 42(h)(1)(F) of the Code.

**“Co-Applicant,”** means a person who is one of two or more Applicants of the same project who will actively participate in the development and operation of the project and receive a portion of the Developer Fee.

**“Consultant”** means a person with no ownership interest in a project retained by an applicant or a sponsor as an advisor and/or to provide services to the Applicant or Sponsor related to the project.

**“Declaration of Covenants”** or **“LURA”** means the “Extended Low-Income Housing Commitment” required by IRC § 42(H)(6).

**“Equity Investor”** means the tax credit investor or syndicator for the proposed project.

**“Financial Statements”** means a complete and accurate balance sheet, income statement, cash flow statement, and accompanying notes prepared according to generally accepted accounting principles.

**“Identity of Interest”** refers to a relationship (financial, familial, business or similar) is sufficiently related for an entity to be treated as a single, continuing applicant.

**“Project Participants”** means the entities and professionals assembled to own, develop and manage the project, including, but not limited to the Applicant or Co-Applicant, Project Sponsor, the Equity Investor, contractor, property manager and Consultant.

**“Person”** means a natural person, any form of business or social organization and any other nongovernmental legal entity including, but not limited to, a corporation, partnership, association, limited liability company, trust or unincorporated organization. The term does not include a government, governmental agency or political subdivision of a government.

**“Project Sponsor”** and **“Sponsor”** means an Applicant/Co-Applicants who receives an allocation and any other person who acquires an ownership interest in any owner of a project.

**“Submission Date”** means the date an Applicant submits a LIHTC application.

**“State”** means the State of Nevada.

For the purposes of the QAP, the following apply:

1. Headings. The subject headings of the paragraphs and subparagraphs of the QAP are included for convenience only and will not affect the construction or interpretation of any of its provisions.
2. Number and Gender. Unless the context clearly requires otherwise:
3. plural and singular numbers will each be considered to include the other;
4. the masculine, feminine, and neuter genders will each be considered to include the others;
5. shall, will, must, agree, and covenants are each mandatory;
6. may is permissive;
7. or is not exclusive; and
8. includes and including are not limiting.

**APPENDICES**

## Appendix A MARKET STUDY GUIDE

General Requirements for a Market Study

Nevada Housing Division (NHD) requires an independent, comprehensive, current and professional Market Study for each proposed development. The Market Study must be prepared no more than nine months before application submission. An approved market analyst (Appendix A-1), unaffiliated with the Applicant, Developer, Lender and/or Syndicator and experienced in multi-family rental housing, must prepare the study using the market study requirements of this guide. Applications with market studies that do not conform to the requirements of the Market Study Guide may be ineligible.

NHD may reject an application if it determines that the Market Study:

* + is not in final form;
	+ has not been executed by the analyst;
	+ deviates from the requirements of this Guide; or
	+ fails to include Market Analyst’s Certification.
1. Minimum Qualifications. The party completing the market study must have the following qualifications:
	1. minimum of five years of experience, with a strong background assessing affordable housing markets;
	2. multi-state experience;
	3. bachelor's degree in real estate development/ finance, planning, marketing, accounting, statistics or a related field; and
	4. certification from a nationally recognized housing or real estate market research association.
2. Required Format and Elements of Market Study: The market study must be organized using the format below and minimally include the following elements.
	1. Statement of Qualifications/Conflict of Interest Disclaimer
		1. Statement of qualifications.
		2. Certification that the market analyst will not benefit financially if the project receives an award.
	2. Executive Summary (five page maximum)
		1. Outline the most pertinent findings of each section.
		2. An overview of the proposed project and Addendum 1.
	3. Description of the Proposed Project
		1. Description of the proposed project: number of buildings, number of units, income targeting, amenities, and related information.
		2. Description of the proposed site, including nearest roadways. The Market Analyst must visit the proposed site.
		3. Description of site structure – i.e. flat, rocky, etc.
		4. Description of traffic counts on main roads to/from the project site.
		5. Color photographs of the site from various vantage points must be included. The Market Analyst must identify from where the photographs were taken.
		6. Identify the census tract within which the project is located.
	4. Description of Market Area
		1. Description of the proposed market study area; must include a 2.5-mile radiusof the project site in urban areas and 5-mile radius of the project in rural areas unless otherwise supported by the market study.
		2. General description of housing stock/types in market area.
		3. General description public facilities and services in the market area – must also include a table with the public facilities and/or community services listed with approximate distance from the site (distance measured using travel distance on main streets to/from project).
		4. Description and analysis of the market’s ability to support a commercial component (if applicable.
		5. Maps of project site and market study area including all affordable or similar housing projects located within 2.5 miles.
	5. Analysis of Housing Demand
		1. Analysis of households by income levels in the market area (the study must contain information within 1 year of application).
		2. Analysis of households that can afford to pay the proposed rents (the study must contain information within 1 year of application).
		3. Forecast of growth in income eligible households for the next 5-year period.
		4. Capture rates for the proposed project of eligible households.
		5. Analysis of household sizes and rental housing types in the market area.
		6. Analysis of economic and employment landscape.
	6. Competitive Assessment of Comparable Projects in Market Area
		1. Description of comparable market-rate and affordable properties in the market area with details on unit size, amenities, and proximity to services.
		2. Description of rent levels and vacancy rates of comparable market-rate and affordable properties.
		3. Description of any waiting lists at comparable market-rate and affordable properties.
		4. Description of any rent incentives at comparable market-rate and affordable properties.
		5. Analysis of available operating expenses and turnover rates of comparable properties in the market area (to the extent available).
	7. Assessment of Project Impacts on Housing Market

## Analysis of expected market absorption of the proposed project.

* + 1. Analysis of the absorption rates of recently completed comparable market-rate and affordable properties in the market study area (completed within the prior 12-month period).
		2. Analysis of the impact of the proposed project on the rent levels and vacancy rates of other assisted and/or subsidized housing projects;
		3. An assessment of the potential financial impacts on other assisted and/or subsidized housing projects.
		4. Analysis of the potential effects of business closures of a major area employer.
	1. Conclusions

Market Studies must include a reconciliation or explanation of the impacts and mitigation factors regarding the proximity of the proposed project to nearby existing LIHTC projects. The radius of a detrimental competitive impact will be a function of the population density.

The Market Study must address the impact of the proposed project on existing projects that are not achieving pro-forma rents.

## Appendix A-1 LIST OF APPROVED MARKET STUDY ANALYSTS

NHD approves but does not endorse or recommend any market analyst on the authorized list and makes no guarantee that a market study performed by any market analyst on this list will be approved.

|  |  |
| --- | --- |
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## Appendix B Mandatory Project Energy Efficiency, Indoor Air Quality, and Verification Requirements

Mandatory Program Requirements are Above International Energy Conservation Code (IECC):

* Advanced building performance requirements including ENERGY STAR v3.1 efficiency and quality thermal envelope for new construction
* Mandatory third party inspections, testing and verification for advanced building performance requirements
* Pre-construction Plan Review by Division’s Energy Consultant
* Complete Thermal Enclosure including comprehensive air sealing, properly installed insulation, and high–performance windows
* High Efficiency Space Heating, Water Heating & Cooling
* Low HVAC system leakage in all dwellings
* Return Air Balancing
* Whole House Mechanical Ventilation
* Reduced in-home contaminants
* 100% Efficient Lighting & Appliances
* WaterSense or equivalent Water Fixtures

In addition, the QAP in the Smart Design section includes incentives:

* Renewable/solar power
* High efficiency electric mechanical equipment
* High performance building envelope components
* Xeriscaping of project landscapes
* Site Location to reduce vehicle miles traveled per occupant

Applicant/Co-Applicants and Project Sponsors must comply with the requirements specified in this Appendix as a condition of receiving the Carryover Allocation or Final Allocation of Tax Credits. Failure to do so will result in a revocation of the Carryover Allocation or Final Tax Credit allocation, as applicable. Energy Conservation requirements as outlined in the EPA Energy Star Program apply to residential units only, not to common areas.

#### **Section 1** General Building Performance

1) Energy performance equal to or greater than the EPA Energy Star Home Program Version 3.1 verified by

* an analysis of the building plans pre-construction using approved software, and
* inspections and testing post-construction using sampling protocol.

Pre-construction Plan Review by Division’s Energy Consultant- Project Sponsors must complete the New Construction Plans Review Form and submit it with project plans to the Division’s Energy Consultant.

2) NHD may allow trade-offs with components and/or not require all prescriptive measures when the detailed analysis of the building and individual units demonstrates that the energy performance meets the required efficiency level.

#### **Section 2** Mechanical Systems Standards

1) Heating and cooling equipment must be sized using ACCA’s Manual J or equivalent protocol.

2) No natural draft appliances within dwelling units - Space Heating and Water Heating appliances fueled by natural gas that are located in conditioned space must be either sealed-combustion or power vented.

3) Cooling. Thermal Expansion valves are required and must be specified in mechanical plans.

|  |  |  |
| --- | --- | --- |
| **EQUIPMENT** | **NORTHERN NEVADA** | **SOUTHERN NEVADA** |
| Air Source Heat Pumps, including ductless mini-splits | ≥14**.**5SEER / ≥ 8.5 HSPF for split systems.  | ≥15 SEER / ≥ 8.5 HSPF for split systems |
| Conventional Forced Air Furnace |  92 AFUE | 90 AFUE |
| Split System Central A/C  | 14**.**5SEER | ≥15 SEER |
| Combination Space Heating/Water Heater | 80 CAafue / Recovery Efficiency 80% | 80 CAafue/ Recovery Efficiency 80% |

AFUE – Annual Utilization Efficiency SEER – Seasonal Energy Efficiency Rating

EER – Energy Efficiency Ratio HSPF – Heating Seasonal Performance Factor

CAafue – Combined Appliance AFUE, for integrated systems that use the water heater to also provide heat this is the recovery efficiency of the water heater.

1) Thermostats: Must be seven-day programmable with setback capabilities for wake, day, evening and night settings. Not required for senior housing units.

2)Ventilation: Meet ASHRAE Standard 62.2 Ventilation for Acceptable Indoor Air Quality which includes whole house mechanical ventilation and spot exhaust ventilation in kitchens, baths and laundry spaces. High efficiency and low sone exhaust fans are required.

3) Return Air: Transfer grills or jump ducts at bedrooms in units with two or more bedrooms unless served by return balancing air duct or if pressure difference with door closed and air handler running is three Pascals or less.

4) Hot Water:

a. Residential Water Heaters.

Residential gas storage water heaters must have a Minimum Energy Factor of 0.67. Water heaters inside conditioned space of the dwelling unit will be power vented or sealed combustion unit.

The Energy Factor (EF) for gas water heaters may be found at: [Energy Factor for gas water heater website](https://www.ahridirectory.org/ahridirectory/pages/home.aspx)

b. Commercial Water Heaters. Commercial water heaters must have a Minimum Thermal Efficiency of 84%.

5) Ceiling Fans: Each dwelling unit must contain Energy Star Rated reversible ceiling fans, including the fan motor and the light kit if lighting is provided.

6) Duct Leakage: Leakage to outside conditioned space of complete HVAC system 6 CFM or less/100 square feet of living space. All dwellings will be tested.

#### **Section 3** Building Envelope Insulation

1) Minimum required insulation levels for attics/ceilings, walls, band joists, floors over unconditioned space and slab foundations, must be equal to or greater than required IECC code in effect at the time of construction.

2) Windows: Must be Energy Star Qualified with NFRC certification (exceeds minimum code).

3) Lights and Appliances:

a. Lights: Light Fixtures must be Energy Star Qualified LEDs or equivalent (light fixtures placed in unconditioned spaces must be airtight (i.e., ICAT fixtures).

b. Appliances: The below must be Energy Star labeled if provided the Project Sponsor:

* Refrigerators
* Dishwashers
* Clothes Washers (Not applicable for central laundry rooms)
* Clothes Dryers (Not applicable for central laundry rooms)

4) Indoor Contaminants:

a. Paint: Low Volatile Organic Compound (VOC) paint must be used for all interior painted surfaces.

b. Water Efficiency:

* Showerheads. Use 2.0 gallons per minute or less (WaterSense equivalent)
* Bath Faucets. Use 1.5 gallons per minute or less (WaterSense equivalent)
* Toilets. WaterSense labeled 1.28 gpf

5) Quality Assurance: Equipment must meet quality installation requirements. During project construction, each unit type (i.e., floor plan and location in building) will be inspected and tested until two consecutive units of this model type meet the requirements. Afterwards testing on this unit type can be reduced to a sampling rate of 1 in 7, or 15%.

#### **Section 4** Mechanical Systems Testing and Verification

Test all systems for proper installation and operation.

1) Heating- Proper installation will be verified.

2) Cooling- Thermostatic Expansion Valve verified.

3) Duct Leakage- Verified by pressure testing.

4) Thermostats- Verified by physical inspection.

5) Ventilation- Verified by testing and inspection.

6) Return Air Balancing- Verified by inspection.

7) Hot Water- Verified by inspection.

#### **Section 5** Building Envelope

1) Complete the Energy Star Thermal Bypass Inspection Checklist.

2) Ensure the insulation is at required levels, is installed properly and consistently.

3) Document NFRC rating on windows for required U-value and SHGC.

4) Ensure that Low E coatings on windows are installed on the correct surface.

5) Verified by Inspection during Construction: Quality insulation installation in Attics, Walls, and Band joists, Crawl Space and Foundations, Slab Foundations, Windows.

6) Verified by Post Construction by Pressure Test: Building Infiltration and HVAC system leakage.

7) Verified by Inspection Post Construction

a. Appliances (i.e., Refrigerators, Dishwashers, Clothes Washers).

b. Efficient Water Fixtures (i.e., Toilets, Showerheads and Faucets).

Information relating to the safety, healthy, comfortable operation and maintenance of the building and systems that provide control over space conditioning, hot water energy use to be provided to occupants. Contact **Barbara Collins, ERH West**, or **Brenda Hungerford, All Phase Inspections**, the Division Energy Consultants, at bcollins@erhwest.com and brenda@allphaseinspections.com with any questions.

#### **Section 6** Energy Efficiency Requirements – (New Construction)

1) Pre-Construction Energy Analysis. All projects must undergo pre-construction energy analysis using Form B-1, building plans and specifications.

2) The Applicant/Co-Applicants must contact the Division Energy Consultant listed above to request/schedule the required energy analysis. The cost of the pre-construction energy analysis will be **$1,000** payable with the submission of the energy analysis worksheet. The costs of the Interim and final energy analysis will be **$250** per unit with a minimum 15% of the project being subject to the energy analysis and includes per diem charges of the testing contractor. Travel expenses are in addition to these fees. The costs of the pre-construction and post energy analysis fees will be paid separately. Listed in Section 21, Fees.

The output from the pre-construction energy analysis must include the Energy Requirements Summary Report. NHD will monitor installation of the required energy measures.

4) Energy Analysis and Inspections during Project Construction. The Division will perform energy analysis and inspections of a selected sample of residential units during project construction.

The Applicant/Co-Applicant or Project Sponsor, as applicable, must provide the Division with reasonable access to perform interim energy analysis and inspections. The energy analysis and inspections will be performed: after

* ceiling and wall air sealing and insulation is installed and prior to installing drywall and,
* building duct systems are installed and prior to enclosing the duct work.

The Division will conduct energy analysis and inspection within 10 days of receiving notice from the Applicant/Co-Applicant or Project Sponsor of the project readiness.

The energy analysis and inspections performed by the Division or designate may include (individual testing requirements may vary by project):

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

5) Final Energy Analysis and Inspections. The Division will perform a final energy analysis of the project at the completion of project construction to determine whether the project achieves the energy efficiency standard and requirements. Including:

a. analysis to determine the overall energy efficiency of the project and inspections of ceiling, wall and floor insulations;

b. HVAC leakage (if applicable) and building envelope tests to determine air leakage within residential units; and

c. physical inspection of buildings and units to determine whether the energy efficiency measures identified in the pre-construction energy analysis have been installed.

6) Remediation. If the Division’s post-construction energy analysis determines that the energy efficiency is less than the required standards, the Project Sponsor will have an opportunity to make improvements and enhancements within 90 days of receiving written notice. The Project Sponsor will be required to pay any additional costs associated with the additional consultant time, travel and/or testing that is necessary.

#### **Section 7** Energy Efficiency Requirements – Acquisition/Rehabilitation

1) Energy Efficiency Standard. The project must have an overall energy efficiency level that is 10% greater than the 2006 International Energy Conservation Code as determined by approved software. The analysis must calculate heating, cooling, domestic hot water, lighting and appliance loads, consumption, and costs based on a description of the home's design and construction features as well as local climate and energy cost data. Equipment or components are replaced during an acquisition / rehabilitation must meet the New Construction specifications unless the energy analysis demonstrates it would not be cost-effective to do so.

2) Ventilation. The project must meet the ASHRAE Standard 62.2 Ventilation for Acceptable Indoor Air Quality.

3) Duct Leakage: Leakage to outside conditioned space of complete HVAC system 15 CFM or less/100 square feet of living space.

4) Pre-Rehabilitation Energy Analysis and Energy Audit. All projects must undergo a pre-rehabilitation energy analysis and energy audit to verify that planned improvements will meet Division requirements using Form B-2, Acquisition Rehabilitation Required Energy Analysis Form.

5) Installing a renewable energy system during rehabilitation does not remove the requirement to improvement energy efficiency and Project Sponsors may need to replace components that are at or near the end of their useful life.

The pre-construction energy analysis and energy audit must be completed immediately upon notification of Tax Credit reservation.

The Project Sponsor must contact the Division Energy Consultant listed above to request/schedule the pre-construction energy analysis and energy audit. The cost of the pre-construction energy audit will be **$ 250.00** per unit with a minimum of one of each unique unit type in the project being subject to the energy audit and **$1000.00**, payable with the submission of the Form B-2 Acquisition Rehabilitation Required Energy Analysis Form. Travel expenses are in addition to these fees.

In addition, a minimum of 10% of the project will be inspected during the rehabilitation work and 15% of the project will be inspected and tested post-construction. The costs of the site visits and inspections will be **$250.00** each. Travel expenses are in addition to these fees. The costs of the inspections, site visits and energy analysis fees will be paid separately. Listed in Section 21, Fees.

Installation of the energy saving measures listed in the initial assessment report is mandatory for rehabilitation projects. The Project Sponsor must provide the Division a copy of the Division’s Summary of Recommendations with the recommended measures. NHD will monitor installation of the energy saving measures.

4) Interim Energy Analysis and Inspection during Project Rehabilitation. The Division will perform interim energy analysis and inspections of a selected sample of residential units during project construction. Sample testing will not be less than 15% of proposed units and will include samples of unit types (i.e., number of bedrooms) and individual buildings in the proposed project.

The Applicant/Co-Applicant or Project Sponsor, as applicable, must provide the Division with reasonable access to perform interim energy analysis and inspections. The interim energy analysis and inspections will be performed after

* ceiling and wall insulation is installed and prior to installing drywall and
* building duct systems are installed and prior to enclosing the duct work.

The Division will conduct energy analysis and inspection within 10 days of receiving notice from the Applicant/Co-Applicant or Project Sponsor of the project readiness. The timing may vary for rehabilitation of single family homes where drywall and duct work will not be removed.

The interim energy analysis and inspections performed by the Division or designate may include:

a. Physical inspection of ceiling, wall and floor insulations;

b. Duct-Blaster tests to measure air leakage of duct systems

(individual testing requirements may vary by project).

5) Final Energy Analysis and Inspections. The Division will perform a final energy analysis of the project at the completion of project construction to determine whether the project achieves the energy efficiency standard and requirements specified in this section. A final energy analysis will be performed prior to project completion.

The final energy analysis and inspections performed by the Division will include:

a. Energy analysis to determine the overall energy efficiency of the project and installation inspections of ceiling, wall and floor insulation;

b. HVAC leakage (if applicable) and building envelope tests to determine air leakage within residential units; and

c. Physical inspection of buildings and units to determine whether the energy efficiency measures identified in the pre-construction energy analysis have been installed.

6) Remediation. If the Division’s post-construction energy analysis determines that the energy efficiency is less than the required standards, the Project Sponsor will have an opportunity to make improvements within 90 days of receiving written notice. The Project Sponsor will be required to pay any additional costs associated with the additional consultant time, travel and/or testing that is necessary.

## Required Energy Analysis Forms

## Appendix B-1 NEW CONSTRUCTION

## Required Energy Analysis Form

**PROJECT NAME** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PROJECT ADDRESS** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Total Number of Units**:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **No of Buildings** \_\_\_\_\_\_\_\_\_\_\_\_

**Unit Distribution**

**1st Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**2nd Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**3rd Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**4th Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**Unit Size in Sq. Ft**

1 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Note where in project plans the requirements below are included**

If information is on a plan sheet, note page number, if in separate report, note the Report Title

|  |  |  |  |
| --- | --- | --- | --- |
| **Mechanical equipment** | **Minimum****Requirement** | **Project Use****Y - N - N/A** | **Where Documented?****PLANS PAGE #** **or Report** |
| ACCA Manual J/S or equivalent Sizing Report | Required |  |  |
| Return Air Balancing System | In dwelling units with ≥ 2 BRs, pressure difference with BR door closed and air handler running is ≤ 3 pascals. |  |  |
| Air source heat pump | ≥ 14.5 SEER; 8.5 HSPF NORTHERN≥ 15 SEER; 8.5 HSPF SOUTHERN |  |  |
| Conventional Forced Air Furnace | ≥ 92 AFUE NORTHERN≥ 90 AFUE SOUTHERN |  |  |
|  Split System Central A/C  | ≥ 14.5 SEER NORTHERN≥ 15 SEER SOUTHERN |  |  |
| Thermostatic Expansion Valves in AC | Required |  |  |
| HVAC System Leakage | ≤ 6 cfm or less/100 sq. ft. living space  |  |  |
| Combination Space Heating/Water Heater | ≥ 80% Recovery Efficiency and0.67 Energy Factor |  |  |
| Water Heater Only | ≥ 0.67 Energy Factor Residential ≥ 84% Thermal Efficiency Commercial |  |  |
| Spot Ventilation and Mechanical Fresh Air Ventilation System  | Meet ASHRAE Standard 62.2, 2010 Ventilation for Acceptable Indoor Air Quality  |  |  |
| Combustion Appliances inside conditioned space | Power vented or direct-power vented unit. Combustion air drawn from exterior of building only, no attic intakes. |  |  |

Water Efficiency Requirements – please check to verify use in project

□ Showerheads - Use ≤ 2.0 gallons per minute

□ Faucets - Use ≤ 1.5 gallons per minute

□ Toilets – WaterSense use ≤ 1.28 gallons per flush

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Building Envelope** | **Northern,** **Rural**  | **Southern**  | **Project Use****Y - N - N/A** | **Where Documented?****PLANS PAGE #** **OR Report**  |
| Attic /Ceiling | R49 | R38 |  |  |
| WALLS | R22/ R24 L. Tahoe | R20 or R13+5 |  |  |
| BAND JOISTS | R22/ R24 L. Tahoe | R20 or R13+5 |  |  |
| FLOORS OVER CRAWL SPACES  | R30 | R19 |  |  |
| SLAB FOUNDATIONS | R10 Perimeter from top of slab to 2’ depth | NA  |  |  |
| WINDOWS | Energy Star labeled with NFRC certification | Energy Star labeled with NFRC certification |  |  |

 Hot Water Conservation Requirements – please check to verify use in project

□ Showerheads - Use ≤ 2.0 gallons per minute

□ Faucets - Use ≤ 1.5 gallons per minute

**Building Envelope Insulation:**

Minimum required insulation levels for attics/ceilings, walls, band joists, floors over unconditioned

space and slab foundations, must be equal to or greater than required IECC code in effect at the

time of construction.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Building EnvelopeWINDOWS | **Requirement** **Above Code** | Energy Star equivalent windows with NFRC certification | **Project Use**U-Factor = SHGC = | **Where Documented?****PLANS PAGE #** **OR Report**  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Lights and** **Appliances** | **Requirement** | **Project Use in****Dwelling Units** **Y - N - N/A** | **Make & Model #****(if known)** |
| Ceiling Fans | Reversible, Energy Star Qualified, both fan motor and light kit |  |  |
| Light Fixtures | Energy Star Qualified LEDs |  |  |
| Refrigerators  | Energy Star Labeled |  |  |
| Dishwashers | Energy Star Labeled |  |  |
| Clothes Washers (if in units) | Energy Star Labeled |  |  |

Note on Prescriptive Building Envelope Efficiency Minimums

In order to complete the energy use analysis please provide information as it pertains to this project. Efficiency must be equal to or greater than required minimums, unless an energy use analysis using an approved method demonstrates that the building and individual unit energy performance is equal to or greater than the EPA Energy Star Home program.

*Please attach:*

*Site plan, building and unit floor plans, elevations, mechanical plans, window and door schedules, plumbing plans and electrical plans.*

**Please answer these questions for units / dwellings in the project**

**Flat Ceiling Height** ( ) 8 Ft ( ) 10 Ft ( ) Other\_\_\_\_\_ft

**Slab Foundation northern Nevada requirement:**

*Must show in drawings insulation installed from top of slab to 2’ depth*

Type of Insulation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Any Cantilever Floor area?** ( ) No ( ) Yes \_\_\_\_\_\_\_ R Value\_\_\_\_\_\_\_\_\_

**Any Floor Area Over Garage?** ( ) No ( ) Yes \_\_\_\_\_\_\_\_\_\_ R Value\_\_\_\_\_\_\_\_\_

**Crawlspace Foundations Only:**

**Is Crawl Space Vented?**  ( ) Operable vents ( ) Unvented ( ) Open

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

**Floor over crawl R Value & Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Ceiling Type & Insulation:**

**Roof Type** ( ) Tile ( ) Asphalt ( ) Other \_\_\_\_\_\_\_\_ Framing 2x\_\_\_\_: \_\_\_oc

**Roof Pitch** ( ) 4 in 12 ( ) 5 in 12 ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Insulation R Value and Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Where is insulation located?** ( ) on ceiling ( ) under roof sheathing

**Is Attic Vented?** ( ) No ( ) Yes

**Vault Ceilings on top floor**? ( ) No ( ) Yes

**Roof Exterior Color** ( ) Light ( ) Medium ( ) Dark **Radiant Barrier** ( ) Yes ( ) No

**Exterior Wall Type & Insulation:**

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

**Cavity Insulation R Value and Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Will foam board be applied as exterior sheathing?** ( ) Yes ( ) No

**Mechanical Systems – Dwelling Units**

**Heating Systems:**

**Type** ( ) Furnace ( ) Fan Coil w/Water Heater ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

**Efficiency** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Size** (s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_kBtu

**Cooling Systems:**

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

**Size (s)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ton **Efficiency** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_SEER

**Hot Water Heaters:**

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

**Energy Factor** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Thermal Efficiency** **or Recovery Efficiency** \_\_\_\_\_\_\_\_\_\_\_\_

**Type** ( ) Tank ( ) Tankless **Location**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Size** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_gal

**Return Air System:**

( ) Transfer Grilles ( ) Jump Ducts ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Heating and Cooling System Ducts:**

**Supply Ducts** Location \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ R \_\_\_\_\_\_\_\_\_\_\_

**Type** ( ) Flex duct ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Return Ducts** Location \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Type** ( ) Flex duct ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ASHRAE 62.2 Exhaust Fans & Ventilation Equipment – 1.** Continuous mechanical ventilation required for dwelling with an occupant controlled, labeled, On/Off switch; **2**. Exhaust ventilation required in kitchen and baths

**Continuous mechanical ventilation type:** ( ) Exhaust Fan ( ) Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

If using exhaust fan, must run 24/7 at required CFM or have programmable cycle timer to meet requirement intermittently. Occupant controlled on/off switch must be included in separate location from other lighting or fan controls.

**Kitchen exhaust**: Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star range hood, required to exhaust 100 CFM and be verified by testing

**Bath 1 exhaust:** Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star fan, required to exhaust 50 CFM and be verified by testing

**Bath 2 exhaust:** Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star fan, required to exhaust 50 CFM and be verified by testing

**Appendix B-2 ACQUISITION REHABILITATION**

**Required Energy Analysis Form**

**PROJECT NAME** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PROJECT ADDRESS** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**YEAR OF CONSTRUCTION** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Total Number of Units**:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **No of Buildings** \_\_\_\_\_\_\_\_\_\_\_\_

**Unit Distribution**

**1st Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**2nd Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**3rd Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**4th Floor** 1 BR \_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_3 BR \_\_\_\_\_\_\_\_\_\_\_

**Unit Size in Sq Ft**

1 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3 BR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Please submit completed form with: site plan, building and unit floor plans**

**PRE-IMPROVEMENT**

***Please complete this section for Pre-improvement condition of units / dwellings***

**Flat Ceiling Height** ( ) 8 Ft ( ) 10 Ft ( ) Other\_\_\_\_\_ft

**Slab Foundations Only:**

Type of Insulation if applicable \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Any Floor Area Over Garage?** ( ) No ( ) Yes \_\_\_\_\_\_\_\_\_\_ R Value\_\_\_\_\_\_\_\_\_

**Crawlspace Foundations Only:**

**Floor over crawl R Value & Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Is Crawl Space Vented?**  ( ) Operable vents ( ) Unvented ( ) Open

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

**Ceiling Type & Insulation:**

**Insulation R Value and Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Roof Type** ( ) Tile ( ) Asphalt ( ) Other \_\_\_\_\_\_\_\_ Framing 2x\_\_\_\_: \_\_\_oc

**Where is insulation located?** ( ) on ceiling ( ) under roof sheathing

**Is Attic Vented?** ( ) No ( ) Yes

**Vault Ceilings on top floor**? ( ) No ( ) Yes

**Roof Exterior Color** ( ) Light ( ) Medium ( ) Dark **Radiant Barrier** ( ) Yes ( ) No

**Exterior Wall Type & Insulation:**

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

**Cavity Insulation R Value and Type R=** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Type \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Is foam board sheathing present?** ( ) Yes ( ) No

**Windows** - **Please attach a Window Size Matrix with sizes for each apartment type**

( ) Dual pane, non- Low E ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Age** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Mechanical Systems – Dwelling Units**

**Heating Systems:**

**Type** ( ) Furnace ( ) Fan Coil w/Water Heater ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Age** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Size** (s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_kBtu

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

**Cooling Systems:**

**Type** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Age** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Size (s)** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ton

**Hot Water Heaters:**

**Type** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Age** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Size** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_gal

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

**Return Air System:**

( ) one central return

( ) Transfer Grills ( ) Jump Ducts ( ) Other or N/A\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Heating and Cooling System Ducts:**

**Supply Ducts**  **Location** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **R** \_\_\_\_\_\_\_\_\_\_\_

**Type** ( ) Flex duct ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Return Ducts** **Location**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Type** ( ) Flex duct ( ) Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Spot Ventilation Equipment:**

**Bath Exhaust**  **Kitchen Exhaust**

Size (cfm) \_\_\_\_\_\_\_\_\_\_ Age \_\_\_\_\_\_\_\_\_\_\_\_\_ Size (cfm) \_\_\_\_\_\_\_\_\_\_ Age \_\_\_\_\_\_\_\_\_\_\_\_\_

**Lights:**

**Type** ( ) Incandescent ( ) High Efficiency Fixture Age \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Ceiling Fans:** Age \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appliances:**

**Refrigerator**  Age \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Size \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Dishwasher** Age \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Laundry Hook-ups Present** ( ) Yes ( ) No**POST-IMPROVEMENT**

**Please complete this checklist of all planned energy improvements**

**Note on Efficiency Minimums**

In order to complete the energy use analysis please provide information as it pertains to this project. The efficiency of all replacement components must be equal to the required New Construction minimum requirements, unless an analysis using an approved method demonstrates that it would not be cost effective. The age of newly installed components will also be given consideration, please note any components that were installed less than five years ago.

|  |  |
| --- | --- |
| **MECHANICAL EQUIPMENT** | **PLANNED IMPROVEMENT** |
| Conventional Forced Air Furnace |  |
|  Split System Central A/C and Air source heat pumps up to 135,000 Btuh  |  |
| Thermostatic Expansion Valves in AC |  |
| Combination Space Heating/Water Heater |  |
| Water Heater Only |  |
| HVAC System Leakage | Required to be ≤ 15 cfm or less/100 sq ft living space  |
| Combustion Appliances inside conditioned space? Y or N |  |

**Mechanical Ventilation Requirements:**

**ASHRAE 62.2 Exhaust Fans & Ventilation Equipment – 1.** Continuous mechanical ventilation required for dwelling with an occupant controlled, labeled, On/Off switch; **2**. Exhaust ventilation required in kitchen and baths.

**Continuous mechanical ventilation type:** ( ) Exhaust Fan ( ) Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

If using exhaust fan, must run 24/7 at required CFM or have programmable cycle timer to meet requirement intermittently. Occupant controlled on/off switch must be included in separate location from other lighting or fan controls.

**Kitchen exhaust**: Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star range hood, required to exhaust 100 CFM and be verified by testing. If existing dwellings do not have kitchen exhaust additional options will be discussed.

**Bath 1 exhaust:** Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star fan, required to exhaust 50 CFM and be verified by testing

**Bath 2 exhaust:** Manufacturer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Must be Energy Star fan, required to exhaust 50 CFM and be verified by testing

|  |  |
| --- | --- |
| **LIGHTS &****APPLIANCES** | **PLANNED IMPROVEMENT** |
| Ceiling Fans |  |
| Light Fixtures |  |
| Refrigerators  |  |
| Dishwashers |  |
| Clothes Washers (in units) |  |

|  |  |
| --- | --- |
| **WATER USE** | **PLANNED IMPROVEMENT** |
| Showerheads - GPM |  |
|  Faucets - GPM  |  |
| WaterSense Toilets (Y or N) |  |

|  |  |
| --- | --- |
| **BUILDING ENVELOPE** | **PLANNED IMPROVEMENT** |
| Attic /Ceiling INSULATION R VALUE, TYPE |  |
| EXTERIOR WALL INSULATION R VALUE, TYPE  |  |
| BAND JOIST INSULATION R VALUE, TYPE |  |
| FLOORS OVER CRAWL SPACES R VALUE, TYPE |  |
| SLAB FOUNDATIONSR VALUE |  |
| WINDOW TYPE U and SHGC |  |

## Appendix C Income Averaging Policy

* 1. Resyndication of properties with a recorded Declaration of Restrictive Covenants (DRC) is ineligible.
	2. Applicants will designate units at a specific AMI by unit type (e.g., 10 one-bedroom units at 50%) at the time of application or request to change elections.
	3. Owners will need NHD approval (using the Project Concept Change process) to change designations prior to the property reaching full occupancy.
	4. The recorded DRC will contain a general provision regarding the election but will not list unit designation specifics.
	5. Owners of developments with more than one building will indicate on the Form(s) 8609 to treat all of them as part of a multiple building project (checking “Yes” on line 8b).
	6. NHD will monitor properties’ compliance at least annually. The monitoring fee is $45 per unit, annually.
	7. Leasing to an over-income household or exceeding the maximum housing expense does not automatically increase a unit’s percent designation.
	8. Absent IRS guidance to the contrary, NHD will not report a property as failing the income averaging minimum set-aside so long as 40% of the total units comply with whatever are the designations for each.
	9. Properties with market rate units will not be eligible for income averaging election. Only 100% restricted properties can utilize this election.
	10. The NAU rule is triggered if the tenant’s income exceeds:
* 140% of 60% AMI, if the income target for the over-income unit is 60% AMI or less, or
* 140% of the designated income target, if the income target for the over-income unit is more than 60% AMI.
	1. In general, income and rent restrictions in the “next available” comparable or smaller unit must be based on:
* The imputed income limit applicable to the unit that is currently occupied by the over-income tenant, if the comparable or smaller unit is a market-rate unit, or
* The imputed income limit applicable to the “next available” unit itself, if it is already a LIHTC unit.
1. **Requests to change set-aside must include the following:**
	1. An updated NHD Application reflecting all designations/changes.
	2. A matrix showing the AMI percentage(s) for each designated unit type.
	3. A legal opinion stating income averaging will be compatible with the requirements of all other anticipated funding sources (excluding market-rate loans) and project-based operating assistance (if applicable).
	4. A statement from permanent lenders and the equity provider acknowledging income averaging.
	5. A new or revised market study showing adequate demand for all possible combinations of unit sizes and percent limits.
	6. Statement committing to annual income averaging training for on-site property managers.

***NHD MAY AMEND THIS POLICY OR MAKE EXCEPTIONS AS NECESSARY.***

## Appendix D Nevada State Tax Credit

The Division will allocate Nevada transferable state tax credits (TSTCs) according to Sections 2 to 12, inclusive, of Senate Bill 448 of the 2019 Legislative Session, and this Appendix D, as either may be amended. Parties utilizing TSTCs are responsible for understanding the statutory provisions, Appendix, and any requirements imposed by other Nevada authorities (e.g., Gaming Control Board). Unless otherwise specified all terms have the same meaning as in the QAP.

**Section D1**. A Project Sponsor may apply to the Division for a certificate of eligibility for TSTCs (Certificate). The project must comply with the requirements to obtain an allocation of federal LIHTCs. “Project Sponsor” means a person or entity who acquires an ownership interest in a project and is designated by the participants in the project to apply for a Certificate.

**Section D2**. The Division will review each Certificate application to determine the amount of TSTCs necessary to make the project financially feasible, considering all other sources.

**Section D3**. The Division will make TSTC available to qualified, new construction tax exempt bond projects and will be scored according to the following threshold point criteria:

* A minimum of 100 affordable units
* Every unit restricted to households with incomes between 30% and 50% AMI will be worth 1 point
* Every unit restricted to households at or below 30% AMI will be worth 2 points

A minimum of 8 threshold points and approval by the Board of Finance by June 30, 2020 will be required to receive a TSTC award.

In addition to the minimum scoring criteria projects will be eligible for TSTCs on number of affordable units constructed based on the following sliding scale:

* 100 to 150 - up to $1,000,000
* 150 to 175 – up to $2,000,000
* 175 or more – up to $3,000,000

**Section D4**. If the total amount TSTC reservations among eligible applications would exceed the amount of TSTCs available for the fiscal year, the Division may take any action to ensure the maximum development of affordable housing, including, without limitation, proportionally reducing all reservations or reserving a lower amount for the last project.

**Section D5**. Not later than 270 days after the Division provides written notice of the TSTCs reservation, the Project Sponsor must provide satisfactory proof that it has done the following:

* Purchased and holds title in fee simple to the project site in the name of the Project Sponsor.
* Entered into a written agreement to begin construction with a contractor who is licensed in this State.
* Obtained adequate financing for the construction of the project, including written commitments or contracts from third parties.
* Executed a written commitment for permanent financing to construct the project in an amount that ensures financial feasibility. The commitment may be subject to the condition that the construction is completed and the project appraises for an amount sufficient to justify the loan in accordance with the lender’s requirements. If the project receives loans or grants from USDA-RD, the submission must indicate that money has been obligated for the project construction before the expiration of the period.

**Section D6**. The Division will terminate a TSTC reservation if the project does not meet the 270 day deadline above unless the Project Sponsor submits a written request for an extension before the deadline. The request must be accompanied by satisfactory proof that:

* the requirements for financing the project have been substantially completed;
* the delay in closing was the result of circumstances that could not have been anticipated by and were outside the control of the Project Sponsor at the time of application; and
* the project will be closed within 45 days of the request.

The Division may grant only one 45 day extension. If the project is not closed before the expiration of the extension period, the Division will terminate the TSTC reservation.

**Section D7**. The Division may terminate a reservation of TSTCs for any event, circumstance, or condition which results in terminating a reservation of LIHTCs. The Division may then reserve the amount terminated to other eligible projects in threshold point order.

**Section D8**. Upon completion of the project, the Project Sponsor must submit to the Division a final application for TSTCs, a certification of costs, and other information the Division deems necessary. At that time the Division will determine the amount of TSTCs necessary to make the project financially feasible after all other sources of funding are paid toward the final certified project costs. The amount cannot exceed the initial reservation.

**Section D9**. Upon determining the final TSTC amount above, the Division will notify the Project Sponsor. Within 30 days after receiving notice, the Project Sponsor must make an irrevocable declaration of the amount of TSTCs that will be applied to any:

* tax imposed by Chapter 363A or 363B of NRS;
* gaming license fees imposed by the provisions of NRS 463.370;
* tax imposed by Chapter 680B of NRS; or
* combination of the fees and taxes above;

thereby accounting for the entire reservation amount. The Division will then issue TSTCs.

**Section D10**. Project Sponsors must notify the Division upon transferring any TSTCs.

**Section D11**. A Project Sponsor that

* is found to have submitted any false statement;
* made any false representation in any document submitted for the purpose of obtaining TSTCs; or
* fails to comply with the requirements of the QAP or the declaration of restrictive covenants;

shall repay any portion of the TSTCs to which it is not entitled.

**Section D12**. TSTCs purchased in good faith are not subject to forfeiture or repayment by the transferee unless the transferee submitted fraudulent information in connection with the purchase.