

2018 Second Round Funding Release

MULTIFAMILY BOND

GROWING AFFORDABLE

HOUSING (GAHP)

FINANCING PROGRAM



2018 Second Round Multifamily Bond Gap Financing Program

Purpose

The Growing Affordable Housing program (GAHP) provides financing assistance to projects utilizing multifamily bonds and non-competitive housing tax credits for the construction of affordable housing units serving low-to-moderate income households, generally below 60% of area median gross income (AMGI). This document outlines the program parameters for a second round of 2018 funding:

- Up to \$6,000,000 in Nevada Housing Division dollars will be available as a second round of funding in calendar year 2018 for the financing of new construction of affordable housing units. The availability of this funding is separate and apart from the previously announced 2018 funding.
- To be considered for an award the project must be able to fully close on its financing by December 1, 2018.
- Developers or general partners having received a prior award of 2018 GAHP funding are eligible for this second round funding.
- Financing will be in the form of fully amortizing soft debt which is repayable from excess cash flows. The interest rate will be 3% on the fully amortizing loan with a term of no longer than 30 years.
- Principle and interest payments are required from a portion of surplus cash flows after senior debt payments have been made beginning in year one.

I. PROGRAM INFORMATION

A. Guidelines and Contact Information

Projects assisted with GAHP loans are subject to the requirements of the Housing Tax Credit program, as set forth in Section 42 of the Internal Revenue Code (IRC), 2018 Qualified Allocation Plan (QAP), including the Second Round, and 2018 Multifamily Underwriting Guidelines. To comply with all Section 42 and applicable program requirements, the Nevada Housing Division (NHD) recommends that applicants refer to the QAP, Underwriting Guidelines and related IRS regulations for their proper interpretation.

The preferred method of contact for all questions related to the Growing Affordable Housing Program is via email to:

Michael Holliday

Chief Financial Officer

mholliday@housing.nv.gov

B. Funding Availability

The second round of funding will be up to a total of \$6,000,000 and will be awarded in the 2018 calendar

year for the financing of new construction of affordable housing units. Final program funding levels are subject to appropriation of funds to NHD.

Funds will be awarded in the form of a loan with all requests subject to approval by NHD. The 2018 Second Funding GAHP guidelines may be subject to change, pending developments in federal and state legislative requirements and/or NHD policy.

C. Funding Limits

Applicants may request up to a maximum of \$3,000,000 total and no more than \$30,000 per unit in GAHP financing.

D. Project Eligibility

New Construction projects which meet the requirements for an allocation of non-competitive 4% housing tax credits and the requirements of the 2018 QAP and Multi-family Bond Underwriting Guidelines will be eligible to apply.

Funds will only be available to Projects that have not yet received or applied for an allocation of non-competitive Housing Tax Credits.

The following eligibility requirements shall apply:

- NHD reserves the right to allocate less than the entire amount of funds available or requested.
- Construction must commence within eighteen months of NHD approval of the GAHP award unless otherwise approved by NHD.
- Projects receiving GAHP funds will be required to waive the Qualified Contract (26 U.S.C. § 42(h)(6)(E)).
- Projects must be completed and placed in service no later than two years for projects under 150 units and three years for projects over 150 units after the date that NHD approves the award of GAHP funds.

II. APPLICATION PROCESS

A. Growing Affordable Housing Program Calendar

<p>July 16, 2018 Applications accepted August 31, 2018 Last Day Applications Accepted</p>	<p>Bond GAHP Financing applications accepted</p>
	<p><i>Proposal meetings may be required on a case by case basis for new applicants</i></p>

B. Application Submissions

All application materials for the 2018 Second Round of GAHP Financing Program must be submitted to the Nevada Housing Division; NHD, 1830 E. College Parkway, Suite 200; Carson City, NV 89706. Applications will be accepted beginning July 16, 2018 and must be received no later than August 31, 2018.

Applicants must use the most current Bond Program application available on the NHD web site.

All applications and supporting documentation must be submitted in digital format.

A GAHP Financing Application processing fee of **\$1500** must be submitted with the proposal application. This is in addition to any other fees required by the applicable QAP.

C. Proposal Applications

Proposal applications should include the following threshold requirements:

ORDER	DOCUMENT NAME	SUBMISSION FORMAT
1	MULTI-FAMILY BOND PROGRAM APPLICATION	EXCEL
2	MULTI-FAMILY BOND STANDARD UNDERWRITING DOCUMENTS	PDF
3	APPLICATION PROCESSING FEE \$1500	PDF, ORIGINAL
5	PROJECT HISTORY NARRATIVE	PDF
6	DOCUMENTATION SUPPORTING SELF SCORING	PDF
7	FINANCIAL CHARACTERISTICS	PDF
9	EXPERIENCE	PDF
10	DETAILED SITE MAP DEPICTING ALL SITES REPRESENTED IN THE APPLICATION, INCLUDING ROAD LEADING TO THE SITE(S).	PDF
11	PUBLIC NOTIFICATION	PDF

D. Site Visits

NHD may conduct a site review to evaluate and determine the suitability of a prospective site for housing development.

Up to two representatives of the applicant who are familiar with the proposal application are encouraged to accompany NHD staff on site visits to answer any questions. The applicant may request in advance that additional representatives be present if necessary and acceptable to NHD.

Applicants for scattered-site projects must be available to provide a tour of the sites and surrounding areas. All site visits will be scheduled at a time convenient to NHD review staff. If a prospective site is deemed unsuitable based on the site review by NHD, the application will be

removed from further consideration.

E. Proposal Review Process

Applications, and resulting funding, will be on a first come, first served basis until funds for the second round are fully committed.

III. FINAL APPLICATIONS

In order to receive an award of Growing Affordable Housing Financing resources all projects must submit a full multi-family bond/4% tax credit application.