State of Nevada Department of Business & Industry
Housing Division

Low-Income Housing Tax Credit Program
Qualified Allocation Plan
2027 QAP
Adopted
2027

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GENERAL INFORMATION

The Nevada Housing Division (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 for 9% tax credits; 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.

Guiding Principles and Priorities

- Criteria for Reviewing Applications: The process for evaluating LIHTC applications includes a comprehensive analysis that gives preference to projects that meet state and local priorities, including but not limited to those 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.
- 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 and their proposed team.
- Total Project Cost per Unit: The Division has a responsibility to award projects without excessive costs regardless of the reasons for such costs. See Section 5.4 for the specific limits regarding the costs per unit.
- 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 based on suitability and overall marketability.
- Minimum Score Required: Applications must earn at least 60% of the available points to be eligible for an award.

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SECTION 1: ANNUAL PLAN GENERAL INFORMATION

All LIHTC reservations made during the 2027 plan year are subject to the QAP and NAC 319.951 through 319.998 inclusive.

1.1 Completeness and Consistency of LIHTC Applications

Applications must be on official Division forms utilizing a Division designated online platform for submission.

Applicants must check all category and geographic boxes for which they elect to compete. An application will only be scored for the category and geographic boxes selected.

Applications must be submitted on or before the application submission deadlines outlined in Section 2.1 (for 9% Tax Credit Projects) and Section 11 (for Tax Exempt Bonds). The Division will not accept an application, document or fee submitted after the application submission deadline. The Division must receive the application fee within 10 days of application submission or the application may be rejected. 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 within five business days may result in the application being rejected.

1.2 Formatting

Applicants must utilize the Housing Division's designated online platform for submission. All submissions must contain required documents and any prescribed templates including the Financial Feasibility Form and have Division-prescribed labeling accordingly.

1.3 Technical Assistance

Applicant/Co-Applicants should contact the Division with any questions regarding the application at least five business days prior to the application submission deadline.

SECTION 2: 9% LIHTC SCHEDULE AND APPORTIONMENT DETAILS

All submissions are due by **5:00 P.M. (Pacific Time)** unless otherwise specified. Please note the early submission date for additional credits is due, March 19, 2027.

2.1 Schedule of Key Dates

Event	When
9% Additional LIHTC Submission date	**, March 19, 2027**
9% Tax Credit Project Open	**, April 21, 2027**
9% Tax Credit Project **Application Deadline**	**, June 2 2027**
Preliminary Scoring Letters sent to Project Developers/Applicants	**, July 30,2027**
Issuance of Notice of Reservations	**, Aug. 27, 2027**
Carryover allocation information deadline	**, Sept 24, 2027**
Carryover allocations issued	**, Nov 5. 2027**
Estimated 270 Day Deadline	**, Feb. 13, 20 2028**
Proof of satisfaction 10% test	**Nov 4, 2027**

All deadlines are for 5:00 p.m. Pacific Time on the date specified above. The Division may modify this schedule.

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2.2 APPORTIONMENT ACCOUNTS AND INITIAL BALANCES

Estimated 9% LIHTC allocations are shown in Table 2. The Division will post any updates or additional specificity (if any) on its website.

Table 2. Nevada 2027 Credit Authority and Allocation Plan*

Estimated Total 2027 Awarded$11,500,000		$11,500,000
Nonprofit Set-Aside	10%	$1,150,000
Balance of 2027 total minus NP Set Aside		$10,350,000
Currently Allocated		$$2,230,630
Balance after currently allocated		$8,119,370
USDA	10% of remaining balance	$811,937
Tribal Housing	15% of balance after USDA	$1,096,115
Additional	10% of remaining balance	$621,132
Balance		$5,590,186
Clark County	54%	$$3,018,700
Washoe County	29%	$1,621,154
Other Counties	17%	$950,332

*Subject to revisions

The estimated 2027 allocation is $ $11,500,000 30% of which ($) $3,450,000 may be used for forward commitments

2.3 DISTRIBUTION PROCESS OVERVIEW

2.3.1 Description of the Waterfall.

The Division will make an initial apportionment of 9% LIHTCs in the following order:

- set-aside accounts as specified in Section 2.4;
- the geographic accounts specified in this Section 2.5;
- general pool account through the waterfall process outlined herein.

Non-Profit

The Division will:

- determine which applications count towards the IRS requirement of no less than 10% of the entire 2027 allocation authority for the non-profit (NP) set-aside,
- score all such applications in their corresponding geographical apportionment / USDA account, and

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- make nonprofit awards until the entire 10% minimum is allocated. This may result in another project receiving a small portion of the remaining nonprofit credits until the set-aside is expended. (See Section 2.4.1. a. below).

Any remaining 9% LIHTCs will go to the general pool.

USDA and Geographic (5% rule in effect)
The Division 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 9% LIHTCs are insufficient to fund another project. Any remaining 9% LIHTCs will go into the general pool.

Additional Credits
The Division will use its discretion when awarding additional 9% LIHTCs. The maximum number of additional 9% LIHTCs a project can receive is 12% of the project's original allocation of 9% 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.

Tribal Housing
The Division will set-aside 15% of LIHTCs (after Non-Profit and USDA set aside) for one or more applications sponsored by federally recognized Tribal Governments or their Tribally Designated Housing Entities. Projects must be on tribal trust land or tribally owned land held in fee simple and serve Tribal populations.

General Pool (5% rule in effect)
The remaining 9% LIHTCs will fund other projects based on highest score. If there are insufficient 9% LIHTCs to fund the next highest scoring application, the Division will award the highest scoring application that will be made whole (or with the 5% rule).

2.3.2 The Five Percent Rule.

If the total 9% 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, the Division 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 the Division's satisfaction, that the project will be viable, and
- agree to the outcome in writing.

2.4 SET-ASIDE ACCOUNT ALLOCATIONS

2.4.1 Set-Aside Allocations.

The Division will fund the subcategories in this Section 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.

a) **§ 42 Non-Profit Set-Aside:** The Division will set-aside a minimum of 10% of 9% 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 9% 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 9% 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).

b) **USDA-RD Set-Aside (Acquisition/Rehab Only):** The Division will set-aside 10% of 9% LIHTCs (after Non-profit set aside) 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 3.10 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.

c) Tribal Housing Set-Aside: The Division will set-aside 15% of 9% LIHTCs (after Non-profit and USDA set aside) for one or more applications sponsored by federally recognized Tribal Governments or their Tribally Designated Housing Entities. Projects must be on tribal trust land or tribally owned land held in fee simple and serve Tribal populations.

d) **Additional 9% LIHTCs:** The Division will set-aside 10% of 9% LIHTCs (after Non-profit, USDA, and Tribal set asides) for applications involving projects meeting the following criteria:
- Received an allocation within the immediately preceding two years and has not yet been 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.
- Submitted a modified application including:
  - an explanation and support that the need for additional LIHTCs was not reasonably foreseeable at the time of submitting the initial 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 application;
  - an updated Excel application including the updated budgets, sources and uses of funds, projected cash flows, and eligible basis, which outlines any variances in quantities, per unit costs, total estimates, and LIHTC pricing and describes the reasons for such variances;
  - copies of the commitment letter(s) for funding sources from the prior application and any updates; and
  - where Value Engineering changes have been made and a breakout 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 amount of additional 9% LIHTCs requested does not exceed 12% of the original award.
- A certification that the additional 9% LIHTCs will be sufficient to complete the project.

d)

2.5 GEOGRAPHIC ACCOUNT ALLOCATIONS

After the Division has allocated 9% LIHTCs to the Set-Aside and Additional Funding Accounts and any other Special Set-Aside Accounts the Division has determined are necessary, the Division will, according to relative populations, proportionately distribute 9% LIHTCs to projects in each of the three geographic accounts: Clark County, Washoe County, and Other Nevada Counties.

2.6 GENERAL POOL ALLOCATIONS

The Division will allocate 9% LIHTCs to the General Pool 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 9% 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 reserves the right to make a partial commitment to a project with a corresponding forward commitment for the balance of 9% LIHTCs.

2.7 Application to Preserve DDA/QCT Status

The Housing Division will accept applications from November 1 through December 20, 2027 as part of the 2027 Multifamily Issuance Application utilizing the designated application portal per the instructions. After confirming a complete application, including a nonrefundable $5,000 application fee, the Housing Division will issue a letter of acknowledgement and **a requirement that the application will expire, or the bonds must be issued within 730 days from the date of the complete application.** Upon project readiness, the applicant must notify the Division that it is ready to proceed with underwriting.

ELIGIBLE PROJECTS

SECTION 3 ELIGIBLE PROJECT CATEGORIES

Each applicant must select **one** project category for which its application will be considered. A project may consist of scattered-site or single-site housing. A waiver may be granted to projects that can demonstrate significant pre-development investment prior to the release of the Adopted QAP. In addition, common areas, excluding stairwells, hallways and corridors, in all new construction projects, except supportive housing projects, will be restricted to no more than 20% of total conditioned space.

3.1 Projects for Individuals

Under this category a maximum of 10% of the total units can be 2-bedroom. All other units must be 1-bedroom or studios. See Section 6.2.3.

3.2 Projects for Individuals with Children and Families with Children ("Family Housing")

Under this category a maximum of 10% of the total units can be studios. All other units must be 1-bedroom or more. See Section6.2.4.

3.3 Senior Housing Age 55 and Older

Projects in this category must comply with the federal exemption of housing predominately for individuals who are 55 years of age or older (24 CFR §100.304). See Section 6.2.1.

3.4 Special Needs

To be considered for this category, at least 30% of the units must serve at least one of the populations identified below. NHD may approve an additional Special Needs Population if the Applicant/Co-Applicant submits a

request in writing 45 days prior to the application deadline and includes documentation supporting the proposed population as being a federal or state recognized Special Needs category. A Support Services plan must accommodate all Special Needs applications.

Special Needs Populations:

- Persons with disabling behavioral or physical health conditions.
- Persons with a need for tenancy support services or supportive housing.
- Victims of domestic violence.
- Persons released from incarceration, including persons paroled or on probation.
- Persons with substance use disorders.

As used in this Section 3.4:

- "Supportive Housing" means subsidized housing, or housing in which residents do not pay more than 30% of their household income on housing including rent and utilities, that reduces barriers to retaining housing that are caused by a person's rental history, criminal history, and income through the provision of onsite and offsite supportive services that are designed to assist a person who has:
    (1) A disabling behavioral or physical health condition; and
    (2) Experienced: (i) homelessness or been at imminent risk of homelessness; or (ii) unnecessary institutionalization.
- "Supportive services" includes, without limitation, social services, community support services, case management services, employment services, health care and behavioral health treatment.

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 necessary (e.g., processing reasonable accommodations requests or a funding requirement);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (i.e., cannot be transitional or time-limited and must offer lease renewal); and
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy).

The project must have service coordination provided by a local human services agency or nonprofit to assist residents in:

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

3.6 Mixed Income Residential Projects

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

3.7 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 service coverage ratio of 1.20x 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.

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

Under this category all 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 right of first 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 the remaining, unsold units until the last home is purchased.

3.8.1 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 of each tenant's rent payments towards a down payment (de minimis payment). The owner must return these funds (including interest accrued), less any damages or rent still owed, 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.

3.9 All Categories – Scattered Site Project

Applications proposing the new construction or acquisition and rehabilitation of projects spanning multiple sites for the purposes of aggregating units for LIHTC feasibility must notify the Division no less than 30 days before the application deadline. Please note that the Division will expect a Letter or Resolution of Support from each and any jurisdiction that is part of the Project.

3.10 Acquisition/Rehabilitation and Rehab only Projects.

Rehabilitation-only and re-syndication projects excluding acquisition costs are eligible under this section and will receive funding preference. Projects that focus exclusively on the repair, restoration, or improvement of existing structures or facilities will be prioritized during evaluation. Applicants proposing rehabilitation-only activities are

encouraged to clearly identify these components to ensure appropriate consideration.

Applications for acquisition/rehabilitation must include the following:

- Capital Needs Assessment (CNA). An as-is can, completed within 12 months of the application, prepared by a competent, industry acknowledged, third-party professional who has no financial interest in the project. The as-is CNA must be based on the existing conditions of the property and must list planned expenses by component category, including quantities, costs per unit and costs per item. The Division may elect to have its third-party estimator review the as-is CNA and offer input into the proposed scope of work. In a scattered-site property, the as-is CNA must reflect costs associated with the rehabilitation for each site. **Please note: The as-is CNA and the proposed 20-year replacement schedule should support the rehabilitation of the project. Prior to construction start, the applicant will provide the Housing Division with an as-complete CNA prepared by a third party that corresponds to the proposed rehabilitation scope of work and schedule of values. The Housing Division may consider a third party cost review that aligns with the proposed rehabilitation scope of work in lieu of the as-complete CNA.**
- 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.
- 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 hard 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 wall & Gates
- Non-residential buildings

3.11.1 Additional Requirements for Resyndication

Projects must be not less than 20 years from the most recent LIHTC Placed in Service Date at time of application. An exception will be made to preserve projects that are at least 15 years old and are at high-risk of going to market rate. The rehabilitation scope of work must be supported by a third-party CNA. All projects for resyndication will be required to submit financials that show the last 3 years of expenses made on capital improvements and ongoing maintenance. Additionally, the existing replacement reserve account financials must be provided with the application for the last 3 years.

3.12 New construction projects utilizing alternative materials/methods

This category will introduce alternatives to reduce the cost of producing conventional affordable housing units. Alternative methods and/or materials must meet International, State and Local building codes. This will include the conversion of storage containers, modular and or manufactured housing units. Studio units must not be less than 320 sq. ft. and 1-bedroom units must not be less than 640 sq. ft. (outer dimensions). Developers utilizing this category for special needs housing must obtain prior approval from the Division (no less than 30 days prior to application due date) to verify their proficiency in developing/managing special needs housing (no less than 40 units). Rent to own projects will only be eligible for the 10/5 preference points in this category.

3.13 Housing for Tribal Governments.

Applications for this category must be sponsored by federally recognized Tribal Governments or their Tribally Designated Housing Entities. Project must be on tribal trust land or tribally owned land held in fee simple and serve Tribal populations.

SECTION 4 ENERGY REQUIREMENTS

New Construction: All projects must meet the International Energy Conservation Code (IECC) as amended by the authority having jurisdiction, and at minimum IECC standards adopted after 2021. Projects must be validated in a report that outlines the required IECC elements and project compliance. The report must be provided by a third party vendor that has professional credentials to support energy efficiency testing and validation such as ENERGY STAR certification. The third party vendor must be approved by the Division, completely unaffiliated with the Applicant/Co-Applicants and have no financial interest in the proposed project. If a developer is required to meet a national standard of sustainability by a different funding source, that certification may be utilized in lieu of the third party IECC report. All reports are required to be submitted to the Division Compliance Team and will be maintained as part of the project records.

Acquisition/Rehabilitation and Rehabilitation: All rehabilitation projects must utilize the Home Energy Rating System (HERS) as outlined by RESNET. Projects must show a minimum improvement of 20% upon the final HERS rating from the project's pre-rehabilitation rating. Ratings will only be accepted from a certified HERS Rater or a Rating Field Inspector (RFI). All reports are required to be submitted to the Division Compliance Team and will be maintained as part of the project records.

As part of the application, the applicant will also be required to provide a narrative to describe project sustainability, or energy efficiency, measures taken that either meet or exceed the IECC standards.

SECTION 5 PRE-SCORING THRESHOLD REQUIREMENTS

All applications must meet the "Threshold Requirements" in this Section.

5.1 Market Study.

Applicants must submit a Market Study that has been completed by an analyst. 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 Market Study 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 Market Studies must comply with Appendix A, Market Study Guide.

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.

5.2 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 foregoing the Qualified Contract process.

5.2.1 General Public Use Requirements.

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

5.2.2 Fair Housing Accessibility.

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

5.3 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.

5.4 Maximum Costs for 9% LIHTC Projects

All projects are subject to the maximum cost per unit, **excluding land costs**. (4% Bond Tax Exempt Bond projects excluded). A waiver may be considered for family projects with a large proportion of 3- and/or 4-bedroom units and rehabilitation projects with a CNA that shows high-cost needs such as significant abatement or full reconstruction.

New construction Based on Total Development Costs ("TDC") (excluding land)

	Rent to Own/Tribal Housing	All other types
Clark Co	$530,000/unit	$350,000/unit

Acquisition/Rehab	Max. Rehab line-item	Total cost/unit (excluding land)
Clark Co	$120,000/unit	$350,000/unit

New construction Based on TDC (excluding land)

	Rent to Own/Tribal Housing	All other types
All Other Counties	$540,000/unit	$370.000/unit

Acquisition/Rehab	Max. Rehab line-item	Total cost/unit (excluding land)
All Other Counties	$130,000/unit	$370,000/unit
USDA	$130,000/unit	$370,000/unit

5.5 Project Reserves for Replacement Requirements

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

- For all projects (new construction or Acquisition/Rehabilitation) that serve 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.

Applications must include additional documentation to support exceeding the minimums by more than 20%. All replacement reserve accounts are subject to monitoring by the Division. The project's replacement reserves must be used exclusively for their intended purpose and may not be removed or transferred to any other entity.

5.6 Financial Feasibility Requirements for both 9% and 4% Unless Otherwise Indicated

The Division completes financial feasibility evaluations three times:

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

The Division 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 1.15x 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% to operating expenses.
- 7% maximum on unit vacancy assumption.
- Reasonable operating ratio (subject to Division approval).
- For 4% LIHTC projects there is a 15% maximum on Developer Fees, based on Total Development Cost (excluding developer fees) and for 9% LIHTC projects there is a 15% maximum on Developer Fees, based on eligible basis of the project (excluding boost and less the developer fee).

- For acquisition rehabilitation projects, projects must either defer a minimum of 40% of the developer fee or paid developer fee (not deferred) must be less than half of the hard cost per unit per Section 3.9, the lesser of the two options.
- Any Deferred Developer Fee must be paid in full by year 15 within the tax credit compliance period.
- 14% limitation on Contractor Fees, including builder's/contractor's profit, overhead and general requirements. An increase may be considered for small (less than 50 units), rural and Tribal projects.
- 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, which is now fixed at 4%.
- 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.
- Projects may not include uncommitted gap financing sources in an application unless those monies are part of a consolidated application to the Housing Division for an award of resources administered by the Housing Division (i.e., HOME, HTF, TSTC or GAHP) as part of the 9% or 4% tax credit application process. Uncommitted funds from any other source will not be considered in the financial underwriting and if the resulting financing gap is larger than the amount that could reasonable e deducted from paid developer fee and if a Sponsor Loan is not a possibility, the application will be deemed infeasible.

5.7 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).
    a. Copies of the Articles of Incorporation and Bylaws.
    b. 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").
    c. 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").
    a. Copies of the partnership agreement and any amendments.
    b. 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").
    c. 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.
    a. Copies of the Articles of Organization and Operating Agreement.
    b. 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.
    c. For Applicants/Co-Applicants organized under the laws of another state and doing business in Nevada:
        (i) a certificate of existence or its equivalent from the state of organization confirming the legal existence of the entity; and
        (ii) a Certificate of Authority issued by the NSoS for such foreign limited liability company.
4) Non-Profit Organizations.
    a. IRS documentation of I.R.C. § 501(c) (3) or I.R.C. § 501(c) (4) status.
    b. 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.
    c. The names of board members.
    d. 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.
    e. 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.

5.8 Project Site Control Documents

Site Control for all 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 December 31st 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 or land governed by Tribal Governments may submit documents evidencing substantially similar or equivalent site control.

5.9 Project Readiness

Projects must adhere to NAC 319.981 which requires that projects must financially close within 270 days after the date the Division provides written notification to the applicant of the reservation. In order to demonstrate project readiness, all funding sources must be secured prior to the award of LIHTCs. This will be represented in

the application with supporting award letters and/or proof of application to a program with award dates prior to the award of the tax credits. As noted above, upon approval at Board of Finance, the inducement of bonds will expire in 180 days with one extension request permitted for extenuating circumstances of up to 90 days. Any permits necessary will not impact project readiness in this section.

5.10 Zoning and Phase I Environmental Study for Project

Applicants/Co-Applicants must provide documentation establishing that the proposed project is on appropriately zoned land

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.

5.11 Experience, Compliance and Financial Background

5.11.1 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 technical expert consultants in affordable housing finance and/or property management.

Applicants/Co-Applicants All applications, whether for 9% or 4%, 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.

2) An organizational chart that describes the relationships, whether through ownership, contract or control, between the Project Participants.
3) Resumes of the principals, other supervisory employees, and company/organization.
4) Financial Statements of the owners, the General Contractor, and Property Management Company for the prior two full calendar years.
5) 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 or Supportive Housing project must demonstrate a minimum of three years of relevant experience verified by a dated document, such as articles of incorporation or a 3-year contract with an experienced consultant that specializes in Special Needs or Supportive Housing. The Applicant/Co-Applicant must submit a list of all the housing units developed in chronological order commencing with the year the first project was placed in service.

5.11.2 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.

5.11.3 NHD Fees

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

5.11.4 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.
- whether the organization, or any of its directors, officers, or owners, have ever been suspended or debarred from doing business by any government agency;

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.

5.12 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.

5.13 Project Security and Management

5.13.1 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.

5.13.2 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.

5.13.3 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.

5.13.4 Management

A management company representative and on-site manager directly involved in the management of the project must 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 issues and/or is debarred.

5.14 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.

5.15 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 5.

5.16 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.

5.17 Internet Access

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

5.18 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).

5.19 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. The listings must be updated on a quarterly basis at minimum. Upon conversion of the project, the Project Sponsor must submit to the Division project information on a template provided by the Division.

5.20 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. Please note that substantive changes to the bond financing structure for bond projects before project financial close may result in a need for a second Board of Finance review and approval.

SECTION 6 PROJECT SCORING FOR 9% LIHTCs

6.1 Scoring Documentation

An application will not receive points for items where information is missing, incomplete or unclear. All applicants will have an opportunity to "cure" defects in their applications after initial review; however, responses must be received within 5 business days.

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.

6.1.1 Maximum Points.

The maximum number of points is **97.**

The Division will rank each application within each set-aside and geographic sub-account. Applications may lose points based on deductions as set forth in Section 21.

6.2 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 6.5). Eventual tenant ownership projects are not eligible for scoring in Section 6.2. Rent to own projects will only receive points under the category described in Section 6.2.8.

6.2.1 Senior Housing Age 55 and Older.

- For new construction projects, studios and one-bedroom units cannot exceed **650** square feet and 2-bedroom units, cannot exceed **850** square feet. Additionally, the number of 2-bedroom units cannot exceed 20% of the total number of units in the project.
- Preference points will be awarded to the project with the lowest average unit size of no less than 550 sq. ft. for a 1-bedroom. unit and 750 sq. ft. for a 2-bedroom unit (average unit size no less than 590 sq. ft.). Projects with an average unit size of no less than 550 sq. feet or closest to 590 sq. ft/unit will receive 10 points, the project with the next lowest average unit size will receive 5 points.
  - Acquisition and rehabilitation projects are not subject to the unit mix and unit square footage limits but are subject to same scoring criteria.

6.2.2 Special Needs Housing Projects

The Division will rank applications on the following factors:

- 70% on the number of months of experience; and
- 30% on 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 6.4.3 **Supportive Services** to be considered for this project category. New construction projects are required to follow the average 950 sq. ft unit restriction.

6.2.3 Projects for Individuals.

New construction projects for individuals must be Studio, 1-bedroom and 2-bedroom units. No unit shall exceed 850 sq. ft. Studios and 1-bedroom 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 average square footage calculation cannot exceed 670 sq. ft. No 2 bath units.

- Preference points will be awarded to projects with the lowest average unit size of no less than 550 sq. ft. for a 1-bedroom unit and 750 sq. ft. for a 2-bedroom unit. Projects with the lowest average unit size of no less than 550 sq. ft/unit will receive 10 points, the project with the next lowest average unit size will receive 5 points.
- Acquisition and rehabilitation projects are not subject to the unit mix and unit square footage limits but are subject to same scoring criteria.

6.2.4 Projects for Individuals with Children/Families

- New construction projects will be ranked on the most efficient use of space. Projects with an average unit size at or closest to 950 sq. ft. will receive 10 points, the project with the next lowest unit size will receive 5 points.)

- Acquisition and rehabilitation projects are not subject to the unit mix and unit square footage limits but are subject to same scoring criteria.

6.2.5 Mixed Income Projects.

The Division 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 must be 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.
New construction projects are required to follow the average 950 sq. ft unit restriction.

6.2.6 Mixed Use (or Multi Use) Projects.

The Division will rank Mixed Use Project applications based on the highest residential square footage. If two or more projects have the same value, the Tie Breakers Section (Section 6.5) 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.
New construction projects are required to follow the average 950 sq. ft unit restriction.

6.2.7 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. Two bath units will be restricted to units with 3 or more bedrooms (new construction)
New construction projects are required to follow the average 950 sq. ft unit restriction.

6.2.8 New construction projects utilizing alternative materials/methods

Preference points will be awarded to new construction projects utilizing alternative materials/methods to reduce the cost of producing affordable housing units. This includes the conversion of storage containers, modular and or manufactured housing units. The smallest sizes allowed are 320 sq. ft. for a studio and 640 sq. ft. for a 1-bedroom unit (outer dimensions). No more than 10% of the units can be studio units (320 sq. ft.). Preference points will only be awarded to projects with a total development cost per unit of $330,000 or less. The project with the lowest development cost per unit will receive 10 preference points, the second lowest project will receive 5 pts. This includes Rent to Own projects.
New construction projects are required to follow the average 950 sq. ft unit restriction with the exception of Rent to Own projects. OR

6.2.9 Acquisition/Rehabilitation Projects

Preference points will be awarded to projects that are rehabilitation only, or re-syndication projects with no acquisition costs per Sec. 3.10. This entails no expenditures for land and/or buildings/improvements. The rehab project with the lowest total development cost (TDC), will receive 10 points, the next lowest will receive 5 points.

6.2.10Housing for Tribal Governments.

Applications for this category must be sponsored by federally recognized Tribal Governments or their Tribally Designated Housing Entities. Project must be on tribal trust land or tribally owned land held in fee simple and serve Tribal populations. Applications will be awarded credits based on the lowest amount of credits required per bedroom. For example, if a project requires $1,100,000 in credits and consists of 80 bedrooms, this will result in $13,750 credits per bedroom. The project with the lowest amount of credits will receive 15 points, the project with the second lowest amount will receive 5 points. Not subjected to the 950 sq. ft. average size restriction

6.3 Standard Scoring Factors

6.3.1 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.

6.3.2 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
Long term lease- Tribal housing and Public Housing Authority only 15-20 yr. (rent to own projects only) or lease term not less than 50 years	5
MAXIMUM PROJECT READINESS POINTS	**5**

6.3.3 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. To address the inflated costs in Tribal Housing projects, no amenity points will be allowed for these projects.

RATING FACTORS	POINTS
Project Amenities – Development Has:	
A. 30 or less units: 1 charcoal/gas grill, one 6-foot picnic table with benches, one 70-80 square feet concrete slab 31-60 units: 2 charcoal/gas grills, 2 6-foot picnic tables with benches, 2 70-80 square foot concrete slabs evenly distributed throughout the property more than 60 units: 3 charcoal/gas grills, 3 6-foot picnic tables with benches, 3 70-80 square foot concrete slabs evenly distributed throughout the property (does not apply to Rent to Own projects)	1

B. Swimming or lap pools for projects with more than 50 units (does not apply to Tenant Ownership Projects).	3
C. 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 a fence that meets building code. 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
D. 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
E. 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 heater.	2
F. 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

G. Computer/study room with full Internet access that is a minimum of 100 square feet and is equipped with at least one computer and printer/scanner/copier for every 20 units (computers specification must meet or exceed Intel Core i5 (sixth generation or newer) or equivalent, 8 GB. RAM. 512 GB Internal Solid State Drive (SSD) or 1 TB internal HDD, 24-in. LCD Monitor, CD ROM/DVD, Microsoft Windows 10).	2
H. Library and/or reading room supplied with at least 50 books.	1
I. Recreation areas worth 1.5 points each including but not limited to: shuffleboard, 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
J. 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:	
A. 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
B. Air conditioning (applicable only outside of Clark County).	3
C. Hard surface throughout unit (e.g., ceramic tile, quarry tile, roto-vinyl, resilient vinyl composition tile, hardwood flooring or bamboo flooring; etc.).	2
D. 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
E. Attached two-car garage (Tenant Ownership Projects only) or Covered parking spaces (all other project types).	3
F. Enclosed exterior wood-framed storage structure that is a minimum of 24 square feet.	2
G. 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
H. Washer/dryers provided in each unit. (includes hookups)	3
I. Free individual internet in each unit.	2

J. A minimum of one ceiling fan in the living room and one in the master bedroom.	1
K. Security doors on front and back entrances (Tenant Ownership Projects only).	1
L. Covered front porch (applies to Tenant Ownership Projects only).	1
M. 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
N. Entry screen front door (Tenant Ownership Projects only).	2
O. Minimum of two storage cabinets in attached garage in units (Tenant Ownership Projects only).	2
P. Storage shelves in attached garage (Tenant Ownership Projects only).	1
Q. Garage door opener (Tenant Ownership Projects only).	2
R. Lighted walkway to the home (Tenant Ownership Projects only).	2
S. 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
T. Removable cabinet fronts at all kitchens and bathroom sinks in all apartments (Special Needs and Senior Projects only).	2
U. Exceeding the 5% and 2% requirement by making 21% of units (15% mobility /6% A-V) adaptable/accessible.	3
V. Grab bars at all water closets, toilets, bathtubs and showers in all apartments specified for handicapped use.	2
MAXIMUM AMENITIES POINTS	**8**

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 >=40 Units	Projects* serving Families>=40 Units	Projects serving Individuals <40 Units	Projects serving Families <40 Units	Senior Housing Projects	Rent to Own Projects	All Other Projects >=40 Units
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 5,000 sq. ft. Lot						X	

Min 1-Car Attached Garage							

*Does Not Apply to Scattered Site Single Family Projects or Tribal Housing 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 Room -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 2-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.

6.3.4 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, AND Applicant 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**

6.3.5 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**

6.3.6 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**

6.3.7 Historical Character

RATING FACTOR	
Project contributes to historic preservation as determined by the Nevada State Historic Preservation Office (SHPO) by adapting and/or renovating properties listed in the National or State Historic Register of Historic Places. Must submit a letter from the SHPO indicating the above.	
MAXIMUM HISTORIC CHARACTER POINTS	**3**

6.3.8 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 ½ 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 are not applicable for Senior Housing projects).	2
2) The site (or designated center of scattered-site projects) is within ½ 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 7:00 am 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). OR Other Counties The 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) Demonstrated energy efficiency and sustainability of the project that obtains Energy Star Certification, or an equivalent national standard certification, for new construction or a rehabilitation scope of work that exceeds the minimum improvement requirement.	6
MAXIMUM SMART DESIGN POINTS	**16**

6.3.9 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, **excluding land costs**: **Clark County** <u>Tribal Housing (New Construction)</u> Less than $515,000 8 points $515,000 to $520,000 6 points $520,001 to $525,000 4 points $525,001 to $530,000 1 point OR All Other Projects (New Construction) Less than $335,000 8 points $335,000 to $340,000 6 points $340,001 to $345,000 4 points $345,001-$350,000 1 point OR <u>Acquisition/Rehab (Rehab line item in application/per unit)</u> $135,000 or more 1 points $110,000 to $120,000 4 points $100,000 to $109,999 6 points Less than $100,000 8 point **All Other Counties** <u>Tribal Housing (New Construction)</u> Less than $510,000 8 points $510,000 to $520,000 6 points $520,001 to $530,000 4 points $530,001 to $540,000 1 point OR All Other Projects (New Construction) Less than $340,000 8 points $340,000 to $350,000 6 points $350,001 to $360,000 4 points $360,001 to $370,000 1 point OR <u>Acquisition/Rehab (Rehab line item in application/per unit USDA included)</u> $ 130,000 or more 1 points $115,000 to $129,999 4 points $100,000 to $114,999 6 points Less than $100,000 8 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. Project includes the preservation of existing LIHTC units—excluding USDA-RD projects.	2
E. Any preservation project with a letter of support from the USDA-RD office.	5
F. At least 25% of the units receiving Project Based Rental Assistance (verified by a Housing Assistance Payment Contract)	2
G. Project Sponsor will pay electric, gas, and heating and/or cooling utility charges.	2
H. New Construction developments in Clark County with a minimum of 50 units and 30 units in remaining counties.	5
MAXIMUM SUPERIOR PROJECT POINTS	**21**

6.4 Special Scoring Factors.

6.4.1 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% rents 25 with 45% rents	All with 45%
SCORING	100% x .40	37.5% x .40 = .15 plus 62.5% x .45 = .2813	100% x .45 = .4500
SCORE	**.4**	**.4313**	**.4500**

A. <u>All Projects except Rent to Own</u>

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

B. <u>Rent to Own Projects Only</u>

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**

6.4.2 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).

6.4.3 Resident Services.

A maximum of six (6) points based on the number of resident 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
Submission of a Memorandum of Understanding (MOU) from service providers (case management/job training, counseling, continuing education, childcare, etc.). Service provider must show a minimum of 3 years of experience; and MOU must be signed by Sponsor/provider. Minimum of 15 hours/week at the site (on site office)	4
MAXIMUM RESIDENT SERVICES POINTS	**6**

6.4.4 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**

6.4.5 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 if 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

6.4.6 Affordable Housing Incentive.

Applications can meet three factors below individually or collectively.

RATING FACTORS	POINTS
A. 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 point Price is > 5% and ≤ 10% of FMV = 2 points Price is > $1% and ≤ 5% of FMV = 3 point	3/2/1
B. Funding sources are limited to: 1) The local PHA 2) Community Development Block Grant (CDBG) 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, or RDA) 6) Bureau of Indian Affairs, Tribal Housing Authority/Tribal Housing Dept., Indian Community Development Block Grant (ICDBG) program funds, NAHASDA, or IHBG (Indian Housing only) 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	**8**

6.5 Tie Breakers.

If one or more applications in the same Set-Aside 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. If there is a tie in the scoring of the applications, the application which received a waiver will lose the tie break.

6.6 Compliance History Points.

An application may lose five points instead of being ineligible based on outstanding compliance violations. This consists of projects which have unresolved non-compliance issues that extend beyond the 90 day cure period

6.7 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.

6.8 Accuracy of Application Submissions

All information submitted in the application must be accurate, complete, and truthful at the time of scoring. Any intentional or negligent misrepresentation, omission, inflation of project features, or provision of inaccurate details that results in a higher score constitutes grounds for denial of modification requests, enforcement action, loss of eligibility, or rescission of the award.

Applicants found to have misrepresented project information in a manner that impacted scoring or eligibility shall be ineligible to apply for tax credits for a period of three (3) years from the date of the rescission or determination of misrepresentation.

6.9 Prohibition on Using Modifications to Circumvent Scoring Requirements

Post-award modifications may not be used to alter, remove, or revise project elements that were required to achieve the awarded score if those elements were inaccurately represented or did not exist at the time of scoring. Modifications may not be used to retain or obtain a scoring advantage that would not have been allowable at the time of application.

6.10 Effect of Material Changes

If a proposed Material Change affects the project's eligibility for Tax credits, the request will be denied, or the credits may be rescinded if eligibility can no longer be maintained. Applicants whose awards are rescinded due to loss of eligibility resulting from a Material Change shall be ineligible to apply for program funds for a period of two (2) years from the date of rescission.

6.11 Material Changes Impacting Original Scoring Tier

If an applicant submits a Material Change request that would have altered the project's original point score in a way that would have placed it below the threshold for the awarded tier—regardless of applicant intent—the project will retain its previously awarded credits; however, the applicant shall be ineligible to apply for tax credits for a period of two (2) years from the date the Material Change request is submitted.

PROJECT DEVELOPMENT INFORMATION

SECTION 7 OPERATING EXPENSES

The Division may request a written justification for Applications with operating expenses higher than $550 per unit/month including the funding of reserves.

SECTION 8 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 9ELIGIBLE 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 or outside a CDBG-eligible Census Tract
- USDA-RD Set-Aside,

- Special Needs / Tribal Housing
- Supportive Housing, as defined in Section 3.4,
- Have deferred at least 30% of the developer fee, and
- High- and moderate-income statewide census tracts per the Federal Financial Institutions Examination Council https://www.ffiec.gov/census/
- **9% Projects in DDA/QCT areas will retain the 130% boost if credits are canceled and re-allocated in a subsequent year, regardless if the designation is no longer in effect.**

Tax Exempt Bond Projects (4% Tax Credits) may only receive the eligible basis boost if the project is located in a DDA or a QCT.

SECTION 10: TAX EXEMPT BONDS SCHEDULE AND APPORTIONMENT DETAILS

10.1 Tax Exempt Bonds Information

Awards for 4% LIHTC are based on a project's tax-exempt bond application. In 2025, the Housing Division announced a new competitive application process. Since then, U.S. Congress passed H.R. 1, or the One Big Beautiful Bill Act, which lowered the bond threshold test from 50% to 25%, which allows the Division to return to a first-come, first-serve basis for projects that meet a minimum threshold for scoring, all eligibility and application requirements and can show project readiness and financial feasibility.

The maximum amount of "new" tax exempt bonds (private activity bonds, not recycled) that will be awarded to any one project may not exceed 28% of the project's aggregate basis; however, at the discretion of the Housing Division, there may be a consideration of new tax exempt bonds up to the estimated permanent mortgage amount, but not to exceed 38% of the project's aggregate basis. And to the extent recycled bonds are available, the Housing Division will seek to replace new tax exempt bonds with recycled bonds to cover the difference between 28% of the project's aggregate basis and the permanent tax exempt mortgage amount. Applications for recycled tax exempt bonds will be part of the bond application.

In accordance with an abundance of private activity bonds, the Housing Division will return to the acceptance of tax exempt bond applications that aligns with the Nevada Board of Finance schedule. The Housing Division will not be accepting applications for the December Board of Finance. All projects must submit an application for tax exempt bonds utilizing the Housing Division's online designated platform. Applications are received and evaluated by the Housing Division and its Financial Advisor. Any recommendations for bonds are then considered for approval by the Nevada State Board of Finance. **Please note that any changes in financial structure between time of approval by the Nevada State Board of Finance and project financial close may warrant a return to the Board of Finance for re-consideration. In this case, there will be increased fees and timing is dependent on the pre-scheduled meetings.**

The application for tax exempt bonds also serves as an application for Grow Affordable Housing Program (GAHP) funds and Nevada Transferable State Tax Credits. The Housing Division is anticipating an outsized demand of its limited financing resources to pair with tax exempt bonds and as such will continue with a competitive application process. The applications received will be scored per the scoring criteria outlined in Section 10.3. In addition to the competitive scoring below, per Appendix C of the QAP, the Nevada Transferable State Tax Credits have other criteria to determine the amount that the project is eligible to request.

Additionally, a 180-day inducement letter will be issued with the date of the Board of Finance establishing the first day of the 180-day period. A one-time, up to 90-day extension may be granted in extenuating circumstances; however, the Housing Division will not tolerate premature applications for the sake of reserving Division financing resources.

Table 3: Tax Exempt Bonds / 4% LIHTC Schedule of Key Dates

Bond Pre-Application Deadline	Bond Application Deadline	Approval at Board of Finance Meeting
N/A	January 7, 2027	February 10, 2027
December, 2026	TBD, 2027	April, 2027
March 26, 2027	TBD, 2027	June, 2027
May 30, 2027	TBD, 2027	August, 2027
August 6, 2027	TBD, 2027	October, 2027

10.2 Additional Criteria

Applicants/Co-Applicants with Tax Exempt Bond Financed Projects must meet all of the threshold criteria in the QAP in addition to provisions below to receive 4% LIHTCs:

1) 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%.
2) The Nevada State Board of Finance has approved the issuance of the Tax-Exempt Bonds for the project.
3) The project must show a "readiness to proceed" and financially close within 180 days of approval of the bonds.
4) The project must meet QAP Section 3, Eligible Project Categories requirements unless the Division determines that the project provides decent, safe quality housing and meets the needs of the tenant population.
5) Final allocation application with all items required in Section 18.
6) The project must be in compliance with the Bond Regulatory Agreement.
7) Comply with the Section 42 25% test.
8) QC projects must utilize the appraised value (reflective of an affordable/restricted property with a 30-year affordability period) for underwriting purposes if lower than QC price.

10.3 Scoring for Tax Exempt Bond Project Applications

Scoring will be applied to all projects and will determine whether projects qualify for Division funding resources including but not limited to the Growing Affordable Housing Program funds and the Nevada Transferable State Tax Credits. All projects will start with 60 points once they have met the pre-application threshold in Section 5. Projects can receive additional points as described in the table below. Additional points will be capped at 40, for a maximum total score of 100 points. The minimum threshold to be considered for Division funding resources is 70. Pre-application thresholds including financial feasibility will be combined with the score, readiness to proceed, LIHTC history/compliance/QC background and an overall geographic utilization of volume cap.

Scoring Criteria	Possible Points	Notes
Weighted Average <60% AMI excluding any market rate units	10	This will follow the same process to calculate average AMI as the 9% scoring in Section 6.4.1. Points will be awarded by multiplying the percentage of the total restricted units within each level(s) by the rent income level percentage. <58% AMI: 2 <56% AMI: 4 <54% AMI: 6 <52% AMI: 8 <50% AMI 10

Site Location	3	Proximity to Services and Important Facilities: 1 point (The site (or designated center of scattered-site projects) is within 0.5 miles of at least three of the following: grocery, pharmacy, bank, school, day care (not applicable for senior projects), parks, community centers, medical facilities, library, place of worship, post office) Public Transportation: 1 point (For Clark and Washoe - within 0.25 miles of a bus stop or school bus stop for family projects OR for other countieswithin0.5 mile of a local transit route or school bus stop for family projects) Infill: 1 point (For a site to be considered infill development, it must have been previously developed, or on a vacant site where at least 50% of its perimeter must adjoin parcels that are already developed with existing urban uses (i.e., any residential, commercial, industrial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses).
BLM Land or other public land donation	5	
Leverage of other public or private resources	17	Written supporting documentation is required. ➢ Federal Tax Credit Pricing exceeds $0.80 cents per credit o >$0.90 cents: 10 points o >$0.88 cents: 8 points o >$0.86 cents: 6 points o >$0.84 cents: 4 points o >$0.82 cents:2 points Other public / philanthropic financing sources, i.e., AHP, HOME, Local fee waivers/incentives: Up to 7 points
Nonprofit / Housing Authority Owner	5	
Total Available	40	

Projects may lose points based on the following:

- Compliance / QC History (loss of up to 25 points)
- Federal Tax Credit Pricing below $0.80 (loss of 20 points)Uncertainty regarding the proposed plan of finance and/or funding sources (loss of up to 10 points) – this includes projects that have not finalized selection of equity and senior lending partners, or projects that rely on public funding sources that have not been awarded.
- Cost per unit at time of application is more than $435,000 for any new construction and $375,000 for acquisition rehab (loss of up to 5 points) Note: for rebuilds/extensive rehab, projects may be considered in the new construction category for scoring.

SECTION 11. RECYCLED BONDS

The Nevada Housing Division ("NHD") may, in its discretion and subject to the availability of recycled private activity bond volume ("Recycled Bond Volume"), allocate Recycled Bond Volume to qualified multifamily rental housing developments. Recycled Bond Volume may be used to finance eligible portions of a project in accordance with applicable federal and state law, Treasury regulations, bond documents, and NHD policies and procedures.

Recycled bonds generally function similarly to new tax-exempt private activity bonds but do not, by themselves,

generate an allocation of 4% low-income housing tax credits ("4% LIHTC"). NHD may determine, in its sole discretion, that Recycled Bond Volume is the most efficient or appropriate source of financing for a project and may award Recycled Bond Volume in lieu of, or as a substitute for, other NHD resources, including the Gap Assistance for Housing Program ("GAHP"), or may condition the award of other NHD resources on the use of Recycled Bond Volume.

The availability of Recycled Bond Volume, and any allocation or commitment by NHD, is subject to applicable law, federal timing requirements, NHD underwriting, and the terms and conditions established by NHD. Nothing in this Section creates an entitlement to Recycled Bond Volume, GAHP funding, 4% LIHTC, or any other NHD resource.

To maximize the effective use of limited public resources, NHD may require an applicant to use Recycled Bond Volume when NHD determines that the project is eligible and that Recycled Bond Volume is feasible and appropriate for the project. An applicant requesting GAHP or other NHD gap funding may be required to demonstrate, to NHD's satisfaction, why Recycled Bond Volume is unavailable, infeasible, insufficient, or otherwise inappropriate for the project.

NHD may establish additional requirements, conditions, priorities, deadlines, documentation requirements, or limitations relating to Recycled Bond Volume. NHD may modify, condition, defer, deny, withdraw, or reallocate any proposed or approved allocation if the project fails to satisfy applicable requirements, deadlines, underwriting standards, or other conditions established by NHD.

11.1 Project Eligibility

To be considered for Recycled Bond Volume, a project must, at the time and in the manner determined by NHD:

- Qualify as a multifamily residential rental project under Section 142(d) of the Internal Revenue Code, as amended;
- Satisfy one of the following minimum affordability requirements:
    - At least 20 percent of the units are occupied or reserved for occupancy by individuals or families whose income is 50 percent or less of area median income; or
    - At least 40 percent of the units are occupied or reserved for occupancy by individuals or families whose income is 60 percent or less of area median income;
- Execute and record a land use restriction agreement or other restrictive covenant acceptable to NHD for the applicable qualified project period; and
- Commit to a minimum 30-year affordability period through applicable LIHTC requirements, a new extended use agreement, or another affordability restriction acceptable to NHD.

Eligibility under this Section does not guarantee an allocation of Recycled Bond Volume or any other NHD resource. NHD may establish additional eligibility requirements or approve exceptions, modifications, or alternative structures to the extent permitted by applicable law.

Applicants should consider the following:

- Recycled Bond Volume may finance only those portions of a project that are eligible under applicable federal and state requirements.
- Any tax-exempt private activity bond financing needed in excess of the available Recycled Bond Volume may require an allocation of new private activity bond volume or another permitted financing source.
- Recycled bonds do not, by themselves, generate 4% LIHTC.
- NHD may require the use of Recycled Bond Volume in lieu of GAHP or other gap funding when NHD determines that doing so is appropriate or preserves scarce resources for other projects.

- NHD may determine the amount, structure, priority, timing, and conditions of any Recycled Bond Volume allocation.
- An applicant remains responsible for securing all financing, approvals, tax opinions, third-party reports, and other documentation required for the project.

11.2 Timing and Closing Requirements

NHD may establish deadlines for application submission, underwriting, bond issuance, closing, construction commencement, placed-in-service dates, and satisfaction of federal recycling requirements.

Applicants receiving or seeking Recycled Bond Volume must:

- Be prepared to satisfy all applicable federal, state, and NHD timing requirements;
- Provide complete and accurate information and deal documentation promptly upon request;
- Coordinate with NHD, bond counsel, the issuer, the bond purchaser, and other applicable parties;
- Promptly notify NHD of any material change affecting the project, its financing, ownership, feasibility, schedule, or eligibility; and
- Maintain the project's eligibility through allocation, issuance, closing, construction, and any other applicable milestone.

Failure to satisfy applicable deadlines or requirements may result in the denial, withdrawal, reduction, expiration, or reallocation of Recycled Bond Volume or other NHD resources, in NHD's discretion.

11.3 Applicant Responsibilities

Applicants seeking or receiving Recycled Bond Volume must:

- Submit complete, accurate, and timely project information for NHD's review;
- Demonstrate to NHD's satisfaction that the project is financially feasible using the proposed Recycled Bond structure;
- Confirm that the project can satisfy all applicable affordability, underwriting, compliance, and closing requirements;
- Use Recycled Bond Volume as required by NHD as a condition of receiving GAHP or other NHD resources;
- Comply with all applicable federal and state laws, Treasury regulations, bond documents, LURA requirements, NHD policies, and conditions imposed by NHD;
- Obtain and maintain all required third-party approvals, certifications, opinions, and reports; and
- Promptly notify NHD of any event or circumstance that could affect the project's eligibility, feasibility, financing, timing, or compliance.

NHD may impose additional conditions on any allocation or commitment of Recycled Bond Volume, including conditions relating to affordability, financing structure, project scope, reserves, underwriting, construction, reporting, compliance monitoring, and remedies for noncompliance.

SECTION 12 TAX CREDIT 9%AWARDS AND POST AWARD PROCESS

12.1 Project Cap/Maximum Reservation.

1. The Division will not award more than $ $1,500,000 in 9% LIHTCs (the "Maximum Allocation") to any one Applicant from the current allocating year, 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. There is a $ $1,500,000 per developer cap for the 2027 QAP allocation. However, in the event the number of credits exceeds the number of applications receiving credits, the Division will consider funding an additional application from a sponsor in the 2027 allocation round. If the amount remaining is insufficient to fully fund the additional application, the Division may consider filling the gap with a forward commitment of 2027 credits. If 2 or more additional applications are received, the project requiring no forward commitment, or the lessor amount of forward committed 2027 credits will be funded. Sponsors, therefore, may submit 2 or more applications in 2027 in consideration of this change. Finally, if the project is part of a phased project, the Division will consider a forward allocation of 2027 credits for the second phase if the developer can show that the efficiency of a combined project results in substantive savings of both time and money, and if both phases will combine for one financial closing. The tax credits requested for the combined phases must be less than the maximum amount for two individual phases. Tax credits awarded in excess of the Maximum Allocation of $1.5 million will be deducted from the Maximum Allocation that the Sponsor can apply for in the subsequent round.

4. This Section applies to current year applications and does not include additional LIHTC requests.

12.2 Tax Credit Return.
12.2.aThe Applicant/Co-Applicant may voluntarily return LIHTC awards before the notification of the Carryover Allocation on **Friday, November 4, 2027**. Project Sponsors returning an allocation after this date may be barred from participating in future LIHTC funding rounds.

Tax Credits may be canceled/reallocated under the following conditions:
-The project cannot meet the 10% Test requirement despite exercising due diligence due to:

1 Inability for the sponsor/limited partner to finalize terms
2.Difficulties obtaining approvals at the local jurisdiction
3 Difficulty meeting time-lines with Public Agencies, i.e. HUD / USDA, etc.

Developer must make a request in writing or via e-mail, clearly stating that one or all of the above terms are hindering the timeliness of the project. If returned/reallocated, sponsor will be assessed a $6500.00 fee.

12.2.b **Credit Retention After Award**
Credits are awarded based on the project characteristics documented at the time of scoring. Once awarded, credits will be retained even if the project undergoes subsequent modification, cancellation, or reallocation, so long as the project continues to meet all eligibility requirements and no misrepresentation occurred in the original application. Post-award modifications do not trigger re-scoring, and credits will not be reduced or rescinded due to changes that would have resulted in a lower score at the time of the initial award.

12.3 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.

12.4 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 24, 2027**:

- Payment of the Carryover fee of $4,000.00
- 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 4, 2027 Project Sponsors must submit a quarterly construction status report of the project if requested by the Division.

12.5 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. The Division will make the final determination on terminating an LIHTC award based on an extended closing jeopardizing the 10% test or PIS requirement.

12.6 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.

12.7 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 13 FINAL TAX ALLOCATIONS OF TAX CREDITS

Once all 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 the energy saving

measures identified in the pre-energy analysis have been installed.
4) Comply with Section 42, 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.
6) When a property requests the final allocation application, the Division's compliance team will be notified to complete a 100% compliance review. The 8609s will be withheld to the developer until the Tax Credit staff is notified by compliance that there are no outstanding non-compliance issues

SECTION 14 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. Income Averaging Projects may be subject to additional scrutiny and by project definition standards. **Rent increases will not be allowed during a lease period and then only once annually. Rents may be increased to the Maximum Rent Limit unless the increase exceeds 10% for a family property and 5% for senior properties**. Note: the rent limit increases policy does not apply to LIHTC projects subject to the 2022 QAP and earlier. Additionally, a project may apply for a financial hardship waiver if there are unforeseen circumstances impacting the viability of the project.

SECTION 15 FEES

All fees paid to the Division are non-refundable.

A. Application Fee

The application fee is $4,000 for 9% LIHTC and $5,000 for 4% for the initial application requesting Tax Exempt Bond (TEB) financing. The final allocation application fee for TEB projects requesting an allocation of LIHTCs will also be $5,000. Any re-applications for TEB authorization that require a reapproval by the Board of Finance will have an additional $10,000 application fee and fees for Division consultants related to bond financial close may be increased as well.

B. Reservation Fee

A reservation fee equal to 10% 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 5% 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.

C. Carryover Allocation Fee

An administrative fee of $4,000 for each Carryover Allocation.

D. Cancellation/reallocation fee.

If the project owner requests a cancellation/reallocation of credits, a service fee of $6,500 will be charged to the project owners.

E. Issuance of revised 8609s.

A fee of $1,300 will be assessed if the project owner requests the issuance of revised 8609s based on inaccurate information about the building/s that was beyond the control of the Nevada Housing Division.

F. Compliance Monitoring Fee

An annual fee of **$60** 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. Income Averaging Projects may be subjected to higher annual compliance fees ($80 per unit)

G. Compliance Training Fee

A fee of **$130** per person to attend the Division's annual LIHTC Compliance Training.

H. 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.

I. 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 **$400** 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 2027 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.

J. Extension Fees
A fee of **$4,000** to request for a 45-day extension to the 270-day closing requirement.
K. 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.
L. Project Changes
A **$1,300** fee payment to request approval of any changes pursuant to Section 25 Changes to the Project.
M. A service fee of $2,500 will be charged to the project owners for required Subsidy Layering Reviews.
N. Additional Bond Issuance Fees Include:

1) Good Faith Deposit $75,000 due before closing calls may commence.
2) Ongoing Division and Trustee fees subject to financing structure.

SECTION 16 DEBARMENTS, REJECTIONS, POINT DEDUCTIONS

The Division will reject any application that is included on 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:

3) The Application is incomplete.
4) The required materials were not submitted pursuant to the application deadline or within 5 business days of a request by the Division.
5) 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.
6) Defaulted or failed to Complete Funding or Construction on a Tax-Exempt Bond Issue.
7) Defaulted under and/or failed to comply with any HOME, NHTF and/or LIHTC requirement.
8) Was involved with a LIHTC or Tax-Exempt Bond issue project which was lost to foreclosure or deed in lieu of foreclosure.
9) 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.
10) 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.
11) 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.
12) Fails to pay any mandated charges or fees to the Division, or any other governmental agency or authority.
13) Failed to place in service a LIHTC project awarded LIHTCs within the Code timelines.

Projects requesting waivers of any requirement of this QAP will have a 3-point deduction in their application

score.

SECTION 17 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 18 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 19 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 $1,300 fee payment is required at the time of the request for approval. Projects must utilize a form provided by the Division and all requests must be sent to the LIHTC program manager and the Chief of Compliance.

SECTION 20 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 21PUBLIC 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 days before any noticed public hearing, meeting or workshop. Verbal comments will be received at the public hearing.

The 2027 QAP was adopted by the Administrator on:

SECTION 22 NEVADA HOUSING DIVISION OFFICES

Questions, suggestions and comments for the 9% LIHTC Program should be directed to **Mark Licea, Loan Administration Officer.** 702.486.5980 or and for the Tax Exempt Bonds / 4% LIHTC to Christine Hess, Chief Financial Officer, 775-687-2249, chess@housing.nv.gov

A. Carson City

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

B. Las Vegas

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

SECTION 23MODIFICATIONS 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 2.

"Application Fee" A non-refundable fee submitted with an initial LIHTC or Bond application to cover the Division's review and processing costs.

"Annual Compliance Monitoring" Ongoing review of unit files, rents, tenant income certifications, and physical inspections to ensure LIHTC program compliance.

"Bond Issuance (Tax-Exempt Bond Financing)" Financing mechanism where the Division issues private activity bonds to support affordable housing development.

"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.

"Good Faith Deposit" A security deposit demonstrating financial readiness to proceed with bond closing.

"Income Averaging" A LIHTC set-aside option allowing units to serve tenants at varying income levels averaging up to 60% AMI, requiring additional compliance monitoring.

"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.

"Material Changes" means any significant changes in project characteristics, ownership, financing, or design that could impact underwriting, compliance, or eligibility for tax credits. Material Changes do not include revisions that solely affect the project's point score after the award is issued, provided the project remains eligible for tax credits.

"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.

"Reservation Fee" A fee required once the Division reserves LIHTCs for a project; maintains the project's claim to credits in the allocation year.

"Submission Date" means the date an Applicant submits a LIHTC application.

"State" means the State of Nevada.

"Subsidy Layering Review (SLR)" A federally required analysis to ensure affordable housing projects do not

receive excessive subsidies across multiple federal programs.
"8609 (IRS Form)" Official form issued for each LIHTC building, certifying the tax credit allocation and placed-in-service details.

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:
a) plural and singular numbers will each be considered to include the other;
b) the masculine, feminine, and neuter genders will each be considered to include the others;
c) shall, will, must, agree, and covenants are each mandatory;
d) may is permissive;
e) or is not exclusive; and
f) includes and including are not limiting.

Appendix A: MARKET STUDY GUIDE

General Requirements for a Market Study

The Division 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.

The Division 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:
   a. minimum of five years of experience, with a strong background assessing affordable housing markets;
   b. multi-state experience;
   c. bachelor's degree in real estate development/ finance, planning, marketing, accounting, statistics or a related field; and
   d. certification from a nationally recognized housing or real estate market research association.

2) Required Format and Elements of Market Study: The market study must be organized using the format below and minimally include the following elements.
   a. Statement of Qualifications/Conflict of Interest Disclaimer
      i. Statement of qualifications.
      ii. Certification that the market analyst will not benefit financially if the project receives an award.
   b. Executive Summary (five page maximum)
      i. Outline the most pertinent findings of each Section.
      ii. An overview of the proposed project and Addendum 1.
   c. Description of the Proposed Project
      i. Description of the proposed project: number of buildings, number of units, income targeting, amenities, and related information.
      ii. Description of the proposed site, including nearest roadways. The Market Analyst must visit the proposed site.
      iii. Description of site structure – i.e. flat, rocky, etc.
      iv. Description of traffic counts on main roads to/from the project site.
      v. Color photographs of the site from various vantage points must be included. The Market Analyst must identify from where the photographs were taken.
      vi. Identify the census tract within which the project is located.
   d. Description of Market Area
      i. Description of the proposed market study area; must include a 2.5-mile radius of the project site in urban areas and 5-mile radius of the project in rural areas unless otherwise supported by the market study.
      ii. General description of housing stock/types in market area.

iii. General description 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).
iv. Description and analysis of the market's ability to support a commercial component (if applicable.
v. Maps of project site and market study area including all affordable or similar housing projects located within 2.5 miles.

e. Analysis of Housing Demand
i. Analysis of households by income levels in the market area (the study must contain information within 1 year of application).
ii. Analysis of households that can afford to pay the proposed rents (the study must contain information within 1 year of application).
iii. Forecast of growth in income eligible households for the next 5-year period.
iv. Capture rates for the proposed project of eligible households.
v. Analysis of household sizes and rental housing types in the market area.
vi. Analysis of economic and employment landscape.

f. Competitive Assessment of Comparable Projects in Market Area
i. Description of comparable market-rate and affordable properties in the market area with details on unit size, amenities, and proximity to services.
ii. Description of rent levels and vacancy rates of comparable market-rate and affordable properties.
iii. Description of any waiting lists at comparable market-rate and affordable properties.
iv. Description of any rent incentives at comparable market-rate and affordable properties.
v. Analysis of available operating expenses and turnover rates of comparable properties in the market area (to the extent available).

g. Assessment of Project Impacts on Housing Market
i. Analysis of expected market absorption of the proposed project.
ii. 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).
iii. Analysis of the impact of the proposed project on the rent levels and vacancy rates of other assisted and/or subsidized housing projects;
iv. An assessment of the potential financial impacts on other assisted and/or subsidized housing projects.
v. Analysis of the potential effects of business closures of a major area employer.

h. 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

The Division 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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Rick Smith CBRE Valuation & Advisory Services 8548 Rozita Lee Ave. #200 Las Vegas, NV 89113 702-933-6760/ c 435-668-0056	

Appendix B Income Averaging Policy

1. Re-syndication 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 set by the Division 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.
11. 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.

Requests to change set-aside must include the following:

12. An updated Division Application reflecting all designations/changes.
13. A matrix showing the AMI percentage(s) for each designated unit type.
14. 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).

15. A statement from permanent lenders and the equity provider acknowledging income averaging.
16. A new or revised market study showing adequate demand for all possible combinations of unit sizes and percent limits.
17. Statement committing to annual income averaging training for on-site property managers.

THE DIVISION MAY AMEND THIS POLICY OR MAKE EXCEPTIONS AS NECESSARY.

Appendix C Nevada Transferable State Tax Credit

The Division will allocate Nevada transferable state tax credits (TSTCs) according to NRS 360.830 to 360.870, inclusive, and this Appendix D, as either may be amended. Parties utilizing TSTCs are responsible for understanding the statutory provisions, this Appendix D, 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 C1. 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.

SectionC2. The Division will review each Certificate application and any supporting documents to determine whether the requirements for eligibility for a reservation are met and the amount of the TSTCs that the project may be eligible for, which must not exceed the amount necessary to make the project financially feasible after considering all other sources of financing for the project, including without reservation, deferred developer fee.

SectionC3. The Division will make TSTC available to qualified, new construction LIHTC projects, both 4% and 9%, and will be scored according to the following threshold point criteria:

- Every unit restricted to households with incomes between 30% and 50% AMI will be worth 1 point; and
- Every unit restricted to households at or below 30% AMI will be worth 2 points.

There will be a minimum of threshold points for projects based on the number of units and

- Below 200 units: 8 points. More than 200 units: 12 points

Except as otherwise provided in this Section D3, 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:

- 50 to 100 – up to $1,000,000
- 101 to 150 – up to $2,000,000
- 151 to 200 – up to $3,000,000
- 201 or more – up to $4,000,000

A project that submits an application for the Supportive Housing as defined in the Special Needs Category, in either the 9% LIHTC or Tax Exempt Bond Program, that will provide housing to tenants at or below 30% of the Area Median Income or providing Supportive Housing (as defined in Section 3.4) may apply for up to $3,000,000 in TSTCs pursuant to this Appendix D. There is a minimum unit count of 30 or 20% of the total unit count.

SectionC4. 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 C5. 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 C6. 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, no exceptions. If the project is not closed before the expiration of the extension period, the Division will terminate the TSTC reservation.

SectionC7. 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 C8. Not less than 15 days before the project is closed, the Project Sponsor must submit to the Division a final application for TSTCs. The Division will complete a review of the project and project sponsor. Upon completion of the project, the Project Sponsor must submit to the Division a certification of costs, and other information the Division deems necessary. The Division will determine the final cost of the project and if, based upon the final cost of the project, the Division determines that the amount of TSTCs issued is greater than the amount of TSTCs the Project Sponsor is entitled to, the Division will notify the Project sponsor and other appropriate entities regarding the amount of TSTCs that must be repaid. The amount cannot exceed the initial reservation.

Section C9. 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 C10. Project Sponsors must notify the Division upon transferring any TSTCs.

Section C11. 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 C12. 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.

Appendix D: Growing Affordable Housing Program

The Growing Affordable Housing Program (GAHP) is established under the authority of the Agency to support the development, preservation, and long-term affordability of multifamily rental housing. This Appendix defines the scoring and award methodology used to evaluate and rank applications submitted for GAHP loan consideration. The methodology is designed to ensure that scarce financial resources are allocated to projects demonstrating the highest readiness, feasibility, and impact on statewide housing goals.

Not all projects applying for GAHP funding will receive an award. Projects must clearly demonstrate a documented financial need and show that all reasonable efforts to secure alternative funding sources have been pursued. Projects must be over 100 units to be eligible for GAHP funding.

Awards for the GAHP program will utilize a combination of the score received for the Tax-Exempt Bond Application (up to 100 points) and the number of restricted units in a project. GAHP Loan Amounts will be awarded based upon the table below. The table establishes the maximum loan award; final awards may be reduced based on underwriting, feasibility, duplication of benefit tests, or program budget constraints.

Table D.1 GAHP Maximum Loan Amounts

Score Tier	**100-150 Units**	**151-200 Units**	**201-250 Units**	**251-301 Units**	**301+ Units**
95-100 points	$2,000,000	$2,500,000	$3,000,000	$4,000,000	$5,000,000
91-95 points	$1,500,000	$2,000,000	$2,500,000	$3,000,000	$4,000,000
81-90 points	$1,250,000	$1,5000,000	$2,000,000	$2,500,000	$3,000,000
76-80 points	$1,000,000	$1,250,000	$1,500,000	$2,000,000	$2,500,000
70-75 points	$1,000,000	$1,000,000	$1,250,000	$1,500,000	$2,000,000

Final GAHP award amounts will be based on:
The project's placement within the scoring and unit table

- Underwriting review and gap analysis
- Reasonableness of development costs
- Availability of GAHP funds within the program year

The Agency reserves the right to adjust award amounts downward to ensure fiscal responsibility and portfolio diversification.

In the event of conflict between this Appendix and any other section of the QAP, the Agency's interpretation shall govern. The Agency may amend or clarify this Appendix through published guidance

Appendix E: Multifamily Bonds and 4%/9% LIHTC Fee Schedule

Fee Category	Fee Amount	Triggers / Examples
Application Fees	9% LIHTC: $4,000 4% LIHTC / TEB: $5,000 Final Allocation (TEB): $5,000 Reapplication BOF: $10,000	Submitting initial LIHTC application BOF renewal after expiration or restructuring Moving from inducement to final allocation
Reservation Fee	10% of credit reservation amount 5% for eligible nonprofits	Receiving reservation letter Applies to 9% and 4% Bond projects Example: $1.5M credit = $150,000 fee
Carryover Allocation Fee	$4,000 per Carryover Allocation	Project not placed in service during allocation year Carryover required to retain credits
Cancellation / Reallocation Fee	$6,500	Voluntary cancellation Project restructuring requiring reissued credits Inability to proceed with financing
Revised IRS Form 8609s	$1,300	Corrected building info submitted by owner Errors not caused by Division
Compliance Monitoring Fees	$60 per unit annually $80 per unit for Income Averaging	First fee due when placed in service Annual fee due Jan 31 Used for inspections and file reviews
Compliance Training Fee	$130 per person	Attendance at annual LIHTC Training Required for staff and management
Second Audit Fee	Equal to unit monitoring fee ($60 or $80)	Unit or file requires second audit due to unresolved findings
Legal Fees	Up to $400/hr Full recovery of legal costs	Legal review of applications QAP disputes Project-level compliance issues
Extension Fee	$4,000	Requesting 45-day extension to 270-day closing requirement
Resubmission Fee	75% of initial application fee	Prior application rejected Material changes requiring resubmittal
Project Change Fee	$1,300 per request	Loss of site control >5% cost change ≥10% financing changes Subsidy changes Design or unit mix updates Participant changes
Subsidy Layering Review Fee	$2,500	Multiple federal subsidies (LIHTC + HOME + PBRA) Required to ensure no over subsidization
Bond Issuance Fees	Good Faith Deposit: $75,000 Ongoing Trustee Fees: varies	Initiation of bond closing process Annual trustee reporting and monitoring