

Informational Statement
LCB File No. R115-14

Pursuant to NRS 233B.066, this informational statement addresses the following:

1. A clear and concise explanation of the need for the adopted regulation.

The Nevada Housing Division of the Department of Business & Industry has proposed changes to the Nevada Administrative Code (NAC) Chapter 319 Assistance to Finance Housing, NAC 319.951 to 319.999, inclusive, regarding the Division's Tax Credit program (Program). The need for the adopted regulation is to

1. Improve the overall effectiveness and efficiency of the program,
2. Eliminate unnecessary confusion and time costs caused by having to reconcile overlapping but not always consistent sets of regulations, that of the Department of Treasury (Treasury), Internal Revenue Service (IRS) and the Nevada Administrative Code.
3. Allow the Program to operate more efficiently with the governing Department of Treasury and Internal Revenue Service Internal Revenue Code § 42 and all other associated governing federal regulations, and
4. Align the program more with the regulating structures of its neighboring reference states, those states with similar populations and character (urban and rural).

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Public comment was solicited by public notice and by email when the Division submitted the proposed changes to the development community to survey their thoughts regarding the proposed revisions. The Division then received comments and consulted with owners and their officers regarding their comments. The Division also noticed and conducted a public workshop and then noticed and conducted a public hearing on this matter.

The public response was, in summary, that any impact to their operations should be favorable or neutral since the proposed changes would mean they could focus more on one set of regulations, the Internal Revenue Code § 42 and its requirements for the program and not have to reconcile between two sets of regulations, i.e., the Federal (IRC and Department of Treasury) and the State NAC 319 regulations.

More specifically, the comments primarily centered on allowing the applications to remain available to the public and on confirming that relevant redundant sections to be removed from the NAC were indeed in the QAP. Developers also wanted to make sure the Division continued its process of making sure that all applicants ultimately know the competitive tax credit application scores of their competitors.

Interested persons may review a copy of the summary of the public response by contacting Mike Dang, Chief of Federal and State programs, at the Nevada Housing Division, mdang@housing.nv.gov or at 775.687.2033.

3. The number of persons who attended each meeting or workshop, testified at each hearing, and submitted written statements regarding the proposed regulation: 8 people attended the workshop; 7 people attended the adoption hearing; no one testified at this workshop or at the hearing; 5 parties submitted written statements. The list of participants is as follows:

Michael Dang, NHD, (775) 687-2033, mdang@housing.nv.gov
CJ Manthe, NHD, (775) 687-2046, cjmanthe@housing.nv.gov
Sharath Chandra, NHD, (702) 486-7220, schandra@housing.nv.gov
Michael Holliday, NHD, (776) 687-2032, mholliday@housing.nv.gov
Colleen Platt, DAG, (775) 684-1222, CPlatt@ag.nv.gov
Mark Licea, NHD, (702) 486-7254, mlicea@housing.nv.gov
Bill Brewer, USDA-RD, now retired
Lisa Dayton, Dayton & Associates, (775) 772-4245, daytonassoc@gmail.com
Cloyd Phillips, Community Services Agency, (775) 786-6023, cphillips@csareno.org
Allison Burk, Fore Property, (702) 562-6050, ABurk@foreproperty.com
Jonathan Fore, Fore Property, (702) 562-6050, JFore@ForeProperty.com
Holly Gregory, Gregory Development Group, (775) 738-8000, holly@weststates.org
Frank Hawkins, CDPCN, (702) 920-6010, frankh@cdpcn.com
George Gekakis, George Gekakis, Inc., (702) 364-8027, ggi@gekakis.com
David Paull, Nevada HAND, Inc., (702) 410-2706, dpaul@nevadahand.org
Hilary Lopez, Praxis, (775) 786-2003, Hilary@PraxisReno.com

4. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected business by public notice and by email. A summary of their responses is included in item 2 above as well as an explanation of how interested persons may obtain a copy of the summary.

5. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The Regulation was adopted with changes to the proposed regulation arising from discussions with the development community.

6. The estimated economic effect of the regulation on the business which it is to regulate and on the public.

(a) Estimated adverse and beneficial effects on the businesses which they are to regulate.

The proposed permanent regulations present no estimated adverse effects to low income housing tax credit production. The beneficial economic effects of these regulations are that the industry, along with the Department, will be enabled to more efficiently and effectively conduct this IRS program with lower financial and time costs.

(b) Estimated immediate and long-term effects.

The proposed regulations present both positive immediate and long-term effects. The positive effects are that the industry along with the Department will be enabled to more efficiently and

effectively conduct this IRS program with lower financial and time costs—immediately and for the long-term.

7. The estimated cost to the agency for enforcement of the proposed regulation.

The proposed permanent regulations present no significant, if any, estimated foreseeable or anticipated increased costs for application and enforcement. These changes will bring the program into greater alignment with IRS advice and with the practice of states of similar size, as recommended by the IRS.

8. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed regulations do not overlap or duplicate any regulation of other state or local governmental entities. The regulation, even after this proposed regulation is adopted, will not overlap and duplicate parts of a federal regulation of the Department of the Treasury and, more specifically, the Internal Revenue Service. It will keep intact certain areas the IRS has left open for states to address.

9. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

The Division is not aware of any provisions that are more stringent than a federal regulation which regulates the same activity.

10. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The proposed regulations do not include new fees or increases in existing fees.