APPENDIX B

Nonprofit Set-Aside Form

Nonprofit Set-Aside applicants must complete this form.

These are WHEDA's threshold requirements for determining if applications may be submitted in the Nonprofit Set-Aside. WHEDA at its sole discretion will move an application from the Nonprofit Set-Aside to the General Set-Aside for failure to submit required materials or failure to demonstrate to WHEDA's satisfaction that the applicant meets IRS Section 42 guidelines for qualified Nonprofits.

To be considered eligible for the Nonprofit Set-Aside, Applicant must answer "YES" to: question 2 and questions 4 through 6, and "NO" to: questions 7 and 8.

1. Check one: 501(c)(3) Organization ___ 501(c)(4) Organization ___

   Submit (a) Articles of Incorporation, (b) IRS certification, and (c) list of Nonprofit board members and officers.

2. Will the Nonprofit remain in control and be the primary decision maker for the project through the development of the project and operation of the project through the compliance period?
   ___ YES ___ NO

3. Will the Nonprofit make financial guarantees to the limited partner which are limited in scope per IRS guidelines?
   ___ YES ___ NO

   Submit a statement describing the scope of financial guarantees provided by the Nonprofit, including a statement that the guarantees conform to IRS guidelines.

4. Will the Nonprofit retain a right of right of first refusal to acquire the project at the end of the compliance period?
   ___ YES ___ NO

5. Will the Nonprofit materially participate in the development and operation of the project as required by the IRS?*
   ___ YES ___ NO

   If "YES" check all that apply to the Nonprofit's participation:

   ____ more than 500 hours annually,
   ____ constitute substantially all the participation,
   ____ more than 100 hours annually and this is not less than any other owner,
   ____ participation in multiple projects exceeds 500 hours,
   ____ participation will be regular, consistent and substantial.

6. Is one of the exempt purposes of the Nonprofit to foster low-income housing? ___YES ___ NO

   If "YES" submit supporting documentation.

7. Is the Nonprofit affiliated with, or controlled by, a for-profit organization? ___ YES ___ NO
   (Must answer "NO" to be considered eligible for the Nonprofit Set-Aside; see IRC §42(h)(5)(C)(ii))

8. Is the Nonprofit related to a for-profit entity participating in the project (i.e., share officers or board of directors)?
   ___ YES ___ NO
   (Must answer "NO" to be considered eligible for the Nonprofit Set-Aside)

*****For further guidance on Material Participation, Applicants should consult (a) the January 2011 IRS Guide for Completing Form 8823, Chapter 22, Category 11q, and (b) the August 2015 IRS Audit Technique Guide - IRC §42, Low-Income Housing Credit, Chapter 6, Nonprofit Set-Aside.