

### **Tab 30 Nonprofit Set-Aside**

In order to improve the living environment for Pennsylvania residents living in Tax Credit developments and to facilitate improvements in the health and safety of such residents, the Agency seeks to encourage development by nonprofits which have demonstrated commitment to improving the living environment, public health, or safety of local populations. Twenty-five percent (25%) of the state per capita allocation amount will be reserved for developments involving qualified nonprofit organizations.

#### **Nonprofits requesting consideration from the set aside must submit the following:**

- A nonprofit organization will qualify for consideration under the Nonprofit Set-Aside if it is described in paragraphs (3) or (4) of Section 501(c) of the Code, is exempt from tax under Section 501(a) and will materially participate in the Tax Credit development throughout the compliance period.
- The nonprofit organization must have “the fostering of low income housing” as one of its exempt purposes.
- The nonprofit organization must own (directly or through a partnership) at least a 51% interest in the general partner of the partnership entity throughout the development’s compliance period in accordance with current laws and IRS regulations.
- The nonprofit organization may neither be an affiliate of, nor controlled by, a for profit organization. An opinion of counsel addressing the status of the nonprofit organization and qualification for the Nonprofit Set-Aside may be required.

#### **Nonprofits which have previously had applications approved from the Nonprofit Set-Aside in Pennsylvania may not need to supply the items outlined above, but can submit the following in lieu:**

- A list of the names of one or more developments previously approved from the Nonprofit Set-Aside
- Certification that the nonprofit remains a qualified nonprofit

Priority may be given to nonprofits which have a substantial base of operations within the county or municipality in which it proposes a development. To show a substantial base of operations, the non-profit must submit a narrative that demonstrates one of the following:

- That it has provided quality charitable services to persons in the county or municipality without substantial interruption for at least the last two years.
- That it performed other such activities which demonstrate, to the satisfaction of the Agency, that the organization will further the living environment, public health, or safety of persons in the proposed development.

Charitable services are services recognized as charitable by the IRS.