## A logo of a house with a hand and keyhole Description automatically generated

## Instructions for Placed in Service and Final Allocation Applications for 2022 Projects

**PROJECT NUMBER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**YEAR CARRYOVER RECEIVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROJECT NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROJECT OWNER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CONTACT NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PHONE NUMBER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

## General Overview

This guide outlines the steps required for the **Placed in Service** and **Final Allocation Applications** for the Housing NM Tax Credit Allocation process. These steps ensure that your project is eligible for the Low-Income Housing Tax Credits (LIHTCs).

**Important Deadlines:**

* Projects with **2022 Carryover Allocations** must be **placed in service by December 31, 2024**.
* A **Placed in-Service application** must be submitted no later than **November 15, 2024**.
* The **Final Allocation Package** must be submitted within **120 days after the close of the Project’s first taxable year** of the Credit Period (the first year you claim the tax credits).

**Key Requirement:**

You cannot receive IRS Form 8609, which is needed to claim LIHTCs, until you complete the **Final Allocation Application** and meet all conditions.

# Which Projects Need to Apply?

* **Projects with 2022 Carryover Allocations**.
* Projects that received a **binding commitment for 2023 credits** in 2022.
* Projects placing in service in 2024 due to **IRS COVID extensions**.
* **4% LIHTC** projects requesting **PIS and 8609 Documentation**

## Requirements for Submission:

**Conditions to** **Place in Service**

**All buildings** must have received a Certificate of Occupancy (or equivalent) by 2024.

1. **If you are not yet ready to request IRS Form 8609**: Submit all items listed under the "Placed in Service" section of the checklist.
2. **If you are ready to request IRS Form 8609**: Submit all items listed in **both** the "Placed in Service" and the "Final Allocation" sections of the checklist.

**Conditions to Receive IRS Form 8609**

To receive IRS Form 8609, the following conditions must be met:

1. Each building in the project must qualify as a low-income building.
2. The Project Owner and the Project must comply with the LURA terms.
3. A complete Final Allocation Application must be submitted.
4. A copy of the executed partnership or operating agreement must be provided.
5. The first-year compliance monitoring fee must be paid.
6. Compliance training must be completed by the Project Owner and management agent.
7. Housing NM must make the final determination of the credit amount and compliance with Section 42(m)(2) of the IRS Code.

Step-by-Step Instructions and Checklist for Placed in Service and Final Allocation

### Part I: Placed in Service Application Checklist

1. **Complete or update the Development Project Application (Sections II, III, IV, and V)** using the form provided by Housing NM.
2. Provide:
   * **Certificate of Occupancy** for each building in the project (new construction) or,
   * **Certificate of Completion** for rehabilitation projects. If acquisition credits are involved, provide evidence of the acquisition placed in service date.
3. **Color photos** of each completed building (identify by address and Building Identification Number - BIN).
4. **Project Ownership Profile** (completed and updated).
5. A completed **Form 8609 Certification** (with original signatures).
6. A **Consent and Agreement to Recording of Land Use Restriction Agreement (LURA)** signed and **recorded** by all lienholders

# Part II: 8609 Final Allocation Application Checklist

In addition to the items required for the Placed in-Service checklist (see Part I above), submit the following, utilizing the same checklist:

1. **Final Allocation Development Project Application** with updated schedules (A-1, B, C, D, F):
   * Indicate changes with yellow highlights.
   * Submit a narrative for changes greater than 5%, explaining the reasons for the change.
2. A completed **Schedule M Addendum** for the Final Allocation.
3. **Certification from your equity investor** showing:
   * Total gross funds raised (or to be raised).
   * Costs associated with the syndication.
   * Total equity payment to the partnership.
   * Tax credit pay-in schedule and benchmarks.
   * Total tax credits expected.
   * Gross price per dollar of tax credit.
4. **Project Owner's Final Cost Certification** (Housing NM Form A) with original signatures, and Form A2 if tax-exempt bond financing was used.
5. Documentation of **DDA/QCT** from Original Application[[1]](#footnote-1)
6. **Independent Auditor's Report** (Housing NM Form B) by an independent tax accountant.
7. **Costs Incurred by Building** (Housing NM Form C) showing costs for each building separately.
8. **Owner's Attorney Opinion Letter** by an independent tax attorney.
9. **As-Built Architect Certification** (Housing NM form attached).
10. **As-Built Site Plans**, Building Floor Plans, and Unit Plans.
11. Final **Contractor's Application and Certificate for Payment** (AIA Doc. G702 or equivalent).
12. **Updated cash flow analysis** (15-year pro forma).
13. **Executed Partnership or Operating Agreement** (complete with exhibits).
14. **Compliance Training Certificates** one for the owner and a separate one for the management company (training must be within the last two years).
15. **Source of Funds Certification**: Provide details on *each* source of funding (loan, grant, subsidy, etc.), with terms and amounts.
16. Copy of signed **cost certifications submitted to FHA, lenders, or RD (FmHA)**, if applicable.
17. **Compliance monitoring fee**: Check payable to Housing NM ($50 per set-aside unit).
18. Copy of the **Recorded LURA**
19. **Social Services Plan** and contracts for projects serving special needs, families, or seniors.
20. **Deferred Developer Fee Promissory Note**, if applicable.
21. **HERS Report/Certification** by a qualified HERS rater.
22. **Rental Assistance Contract**, if applicable.
23. For **4% LIHTC bond projects**: Final executed financing documents from all sources.
24. For projects receiving points for **Non-Smoking Properties**, provide the **Non-Smoking Certification**.



# Final Steps and Housing NM Review Process

Once the applications are submitted:

1. Housing NM will review the application for completeness and verify financial viability.
2. Housing NM will prepare and send the Land Use Restriction Agreement (LURA) for your signature.
3. The LURA *must be recorded and returned* to Housing NM before **December 31, 2024**.
4. Housing NM must approve the **final construction completion inspection** before issuing IRS Form 8609.



# Application Submission Instructions:

Submit your **Placed in Service** and/or **Final Allocation** application electronically to the Housing NM file-sharing site by **November 15, 2024**. Here is the link:  
<https://mfa.internal.housingnm.org/SFT_HD/>

For questions or further assistance, contact **Jeanne Redondo** at 505-767-2210 or **Christi Wheelock** at 505-767-2279.

1. For 9% applications, a discretionary boost *may* be applied up to the amount needed for financial feasibility if not located in a QCT or DDA, please see QAP for detailed requirements. 4% applications will only receive the 30 % boost if located in a QCT or DDA, please QAP for more information. [↑](#footnote-ref-1)