2027 FAQs

Question 1:

Question regarding Section T(i)(b), Deep Affordability (Special Housing Needs projects): are vouchers required for the additional 30% AMI units?

Section T(i)(b) awards 3 points when a project in the Special Housing Needs housing priority category restricts an additional 5% of total Units to residents earning 30% or less of AMI. The section says these Units "may have permanent rental subsidy support with a project-based federal rental assistance contract." It then says applicants "must… include a copy of the applicable federal rental assistance contract." Can a Special Housing Needs project earn the 3 points by income- and rent-restricting the additional 5% of Units at 30% AMI without project-based federal rental assistance on those Units?

Housing New Mexico response:

Vouchers are not required for the additional 30% AMI Units. The Deep Affordability points for Special Housing Needs housing priority provides three points for an additional 5% of total Units in the Project that are restricted to residents earning 30% less of Area Median Income. These additional 30% AMI Units may be supported by permanent rental subsidy, but they don't have to be supported by permanent project-based federal rental assistance, as long as the Project meets the requirements for feasibility in the Underwriting Supplement. A federal rental assistance contract only needs to be attached to qualify for these points if there is federal rental assistance for the Units.

Question 2:

Please define what the 20-year requirement is for capital needs assessments and if this is applicable to adaptive reuse projects that were never previously apartments. When would the capital needs assessment be due for a project that is adaptive reuse?

Housing New Mexico Response:

9% LIHTC QAP Section III.E.2 entitled Capital Needs Assessment requires all Projects that include rehabilitation to provide a CNA, which is due with the Initial Application for Projects that were Placed In Service less than 20 years prior to the Application Deadline; or by November 15th of the allocation year with the Carryover Application for Projects that were Placed In Service more than 2 years prior to the Application Deadline. (4% LIHTC QAP Section III.E.2 requires the CNA with the Initial Application.)

A Capital Needs Assessment is not required for an Adaptive Reuse Project, which by definition in the Glossary, involves the conversion of an existing building(s) not initially constructed for residential use to multifamily residential rental Units, and competes in the same 9% LIHTC pool as new construction. These Projects are "subject to the full provisions of the Mandatory Design Standards for new construction unless it is demonstrated to Housing New Mexico's satisfaction that specific elements or requirements are technically infeasible to accomplish, in which cast the Application must contain a detailed explanation of why a provision or requirement cannot be met." (*See* Special Projects Section B on page 15 of the Mandatory Standards for Multifamily Housing)

Question 3:
Is there an opportunity to submit a list of properties in New Mexico developed or owned by the Applicant or any of its Affiliates, including the property name, address and number of units, prior to the submission of the Intent to Submit?

I saw that the purpose behind this new requirement is to provide an opportunity for prospective applicants to clear any potential material compliance matters prior to the Application Deadline. With only a month in between the Intent to Submit deadline and the application deadline to cure any potential issues, including the holiday, we would just appreciate running this check earlier.

Housing New Mexico Response:
The Intent to Submit has been posted with the QAP so you could send it in extra early. You can always update it before December 21st if your project changes.

Question 4:
Would Housing New Mexico be willing to subordinate its gap financing (NM HTF/NHTF/HOME) to a smaller conventional permanent loan in first lien position?

Housing New Mexico Response:
Housing New Mexico's gap financing regularly subordinates to the conventional first mortgage loan when the first mortgage loan is sized to meet the Debt Coverage Ratio requirements on page 17 of the Underwriting Supplement at Section V.B.