

HOUSING TAX CREDIT PROGRAM

2016 CARRYOVER ALLOCATION APPLICATION



NEW MEXICO
MORTGAGE FINANCE AUTHORITY

2016 CARRYOVER ALLOCATION and 10 PERCENT TEST/CONSTRUCTION START APPLICATION INSTRUCTIONS

General. Projects that have received a Preliminary Reservation of 2016 Housing Tax Credits but which cannot be Placed in Service by December 31, 2016 must qualify for a Carryover Allocation prior to year end. These instructions describe MFA's requirements to determine a Project's eligibility for a Carryover Allocation.

"10 Percent Test" The "10 Percent Test" rule in IRS Code Section 42 requires that the owner's basis in the Project exceeds 10 percent of the owner's reasonably expected total basis in the Project on completion. The timing for Projects to meet this requirement has changed recently as the Code was amended in 2001 and again in 2008. As a result, year end Carryover Processing has become a two-part process for most New Mexico Projects. The Carryover Allocation will be made based on documents that you must submit to MFA by November 16, 2016. However, the 10 Percent Test will be made based on documents that you may submit up until August 31st, 2017. A checklist that distinguishes between the two deadlines, along with application materials, is attached for each of these submissions. **Failure to submit the complete application for either of these deadlines will be considered a voluntary return of the Tax Credit award. Meeting both sets of requirements in November 2016 simplifies the process, but is not mandatory.**

PART I: CARRYOVER ALLOCATION APPLICATION (Due November 15, 2016)

Minimum Requirements for All Projects with 2016 Tax Credit Allocations:

To qualify for a Carryover Allocation the following requirements must be met and all materials listed on the attached checklist must be submitted to MFA no later than 5:00 p.m. Local Time, November 15, 2016:

1. The Applicant must deliver evidence that the Project Owner has taken ownership of the land or depreciable real property, or has executed a lease for the land (and buildings if applicable) with a term extending at least 3 years beyond that of any agreed upon use restriction period. For tribal Projects, this includes a fully executed Master lease and sublease with evidence of filing with the Bureau of Indian Affairs; and
2. The Applicant must deliver all items listed in the Carryover Allocation Requirements Checklist (enclosed); and
3. At the time of Carryover, the Applicant may elect to lock in the Applicable Percentage (i.e. the Tax Credit Rate) for the Project. This is done through the Applicant's completion of a form with the Carryover Allocation package, and confirmed in the Carryover Allocation Agreement.

A sample Carryover Allocation and Carryover Allocation Agreement are included for your information only. MFA staff will complete these documents and return them for your signature after the Carryover Application has been reviewed and approved.

Processing Steps: The Steps for Processing of the Carryover Allocation Application are as follow:

1. November 15, Applicant submits Carryover Allocation Application to MFA;
2. MFA reviews for completeness and underwrites Project to ascertain financial viability and recalculate the credit amount;
3. MFA assigns BIN numbers;
4. MFA prepares and delivers Carryover Allocation and Carryover Allocation agreement; and
5. Owner executes Carryover Allocation agreement and delivers it to MFA prior to December 31, 2016. **Failure to have a fully executed carryover allocation agreement on or before December 31, 2016 will result in loss of the Tax Credits.**

PART II: TEN PERCENT COST TEST AND CONSTRUCTION START SUBMISSION (Due August 31, 2017)

Additional Requirements for 10 Percent Test:

To meet the 10 Percent Test, the Applicant must provide evidence that the Applicant has incurred 10% of the total expected basis of the Project, as defined in IRS Code Section 42 (see part 42(H)(1)(e) and related provisions). To meet this benchmark the materials listed in the attached 10 Percent Test Requirements Checklist must be submitted to MFA no later than 5:00 p.m. Local Time, on August 31, 2017.

Please note that forms of Independent Auditor's Report and Owner's Attorney's Opinion are provided. These have been developed with the help of qualified professionals in each field. The form of Independent Auditor's Report is optional, but the form of Owner's Attorney's Opinion is required. If the MFA's form of Independent Auditor's Report is not used, the Owner must provide an opinion signed by the CPA certifying that the alternative format meets the requirements of IRC, Section 42, as amended and all other applicable laws, rules, and regulations. MFA will not make this determination.

Processing Steps: The steps for processing of the 10 Percent Test Submission are as follows:

1. No later than August 31, 2017, Applicant submits 10 Percent Test Submission to MFA; and
2. MFA reviews for completeness and underwrites project to ensure that 10 Percent Test is met.

Location For Delivery: Both packages must be submitted to MFA at the following address by mail or courier service, and no facsimile or electronic transmissions will be accepted:

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, New Mexico 87102
Attention: Tax Credit Program Manager
Housing Development/Housing Tax Credit Carryover Application

Further Information: Contact Susan Biernacki at (505) 767-2273.

CARRYOVER ALLOCATION REQUIREMENTS CHECKLIST

For Submission No Later than November 15, 2016

PROJECT NUMBER: _____

PROJECT NAME: _____

PROJECT OWNER: _____

Done
Y/N

Requirement

- | | | |
|-----|-----|--|
| ___ | 1. | Updated Development Project Application Form and Schedules A-F, as submitted with most recent prior version with any subsequent changes marked in red. A current original signature and date are required. |
| ___ | 2. | Complete Columns A and B of "Assignment of Building Identification Numbers" (Form attached) - (MFA will complete Column C.) |
| ___ | 3. | Architect's Certification (required form attached). |
| ___ | 4. | LEED registration, Enterprise Green Communities registration, National Green Building Standard registration, or Build Green NM registration as applicable. |
| ___ | 5. | Option to Lock Applicable Credit Percentage (form attached). |
| ___ | 6. | Copy of the Certificate of Partnership. |
| ___ | 7. | Copy of the Limited Partnership Agreement or Operating Agreement |
| ___ | 8. | Copy of the recorded deed or copy of executed lease to the Project site. Ownership must be vested in the name of the entity requesting the Carryover Allocation. |
| ___ | 9. | Evidence of required zoning approvals if this was not present in original Application. |
| ___ | 10. | Contractor's resume if it was not included in original Application. |
| ___ | 11. | All Financing Commitments including: construction and permanent loans, grants and secondary financing, and letter of intent from equity provider. (see section IV.G.2.b.2 of the QAP) |
| ___ | 12. | Copy of Special Needs Housing Set Aside Agreement (LLA Agreement). |
| ___ | 13. | Rehabilitation Projects: Appraisal and Capital Needs Assessment of the existing Project. |
| ___ | 14. | Historic Projects: National Park Service approval of Historic Certification – Part 2 |

10 PERCENT TEST AND CONSTRUCTION START REQUIREMENTS CHECKLIST

For Submission No Later than August 31, 2017

PROJECT NUMBER: _____

PROJECT NAME: _____

PROJECT OWNER: _____

10 Percent Test

Done Y or N	Requirement
	1. Independent Auditor's Report for Carryover Allocation;
	2. Exhibit A to Independent Auditor's Report (form attached);
	3. Auditor's Opinion (only if MFA form of Independent Auditor's Report is not used); and
	4. Owner's Attorney's Opinion concerning the project's eligibility for Tax Credits under Section 42 of the Internal Revenue Code.

Please note that sample forms of Independent Auditor's Report and Owner's Attorney's Opinion are provided. These have been developed with the help of qualified professionals in each field. The form of Independent Auditor's Report is optional, but the form of Owner's Attorney's Opinion is required. If the MFA form of Independent Auditor's Report is not used, the Owner must provide an opinion signed by the CPA certifying that the alternative format meets the requirements of IRC, Section 42, as amended and all other applicable laws, rules, and regulations.

Evidence of Construction Start

Done Y or N	Requirement
	5. Building Permits
	6. Contractor's Application and Certificate for Payment (if available)
	7. Site Photographs
	8. Executed partnership agreement
	9. Evidence of National Park Service Approval of the Project's Historic Certification Part 2 (if applicable)

Assignment of Building Identification Numbers

Instructions: The IRS requires assignment of a Building Identification Number (BIN) to each of the Project's buildings at the time a Carryover Allocation is made even if the carryover allocation is made on a project basis. Please list the street address of each building in Column A below. If there is no street address, provide a specific description of the location of each building. In Column B, list the date each building is expected to be placed in service. Leave Column C blank; it will be completed by MFA.

COLUMN A	COLUMN B	COLUMN C
Building Address	Projected	BIN Number
Street Address, City, State, Zip	Placed-in-Service	
<u>(or Description of Building Location)</u>	<u>Date</u>	<u>(reflecting the year the allocation is made)</u>
1. _____	_____	NM - _____
2. _____	_____	NM - _____
3. _____	_____	NM - _____
4. _____	_____	NM - _____
5. _____	_____	NM - _____
6. _____	_____	NM - _____
7. _____	_____	NM - _____
8. _____	_____	NM - _____
9. _____	_____	NM - _____
10. _____	_____	NM - _____

ARCHITECT'S CERTIFICATION

I have examined the drawings and specifications dated _____ prepared by _____ (architect) and related to the development known as _____ (project name) located in _____ (city, state).

Based upon this examination, to the best of my knowledge and belief, these documents conform to: (1) all local, state and federal laws designated as the development standard for the project including, but not limited to, the Fair Housing Laws as they pertain to handicapped accessibility and adaptability; (2) all local health, safety and building codes; (3) those requirements set forth in the New Mexico Mortgage Finance Authority's ("MFA") Low-Income Housing Tax Credit Qualified Allocation Plan and MFA Year _____ Mandatory Design Standards For Multifamily Rental Housing; and (4) all commitments made in the initial Project application regarding design and building, unless otherwise approved in writing by MFA.

Based upon examination of the drawings and specifications, all items in the initial Low-Income Housing Tax Credit application committed to including, but not limited to, Green Building Criteria [as attached hereto as Exhibit A] and overall design elements are incorporated except for any changes agreed to by MFA in writing [Bracketed language above applies only to projects using MFA Green Building Criteria. Projects using other green criteria should delete. MFA Green Criteria projects must attach Green Criteria checklist as submitted with Initial Application as Exhibit A.]

Architect (S E A L)

Date

Based on the foregoing representations by the Architect, the Owner certifies that the development will be constructed in accordance with the requirements set forth above.

Owner

Date

Owner

Date

**Option to Lock Applicable Credit Percentage
Section 42(b) of the Code**

Applicable Credit Percentage. Pursuant to Section 42(b)(1)(A), the Owner and MFA may enter into an agreement as to the housing credit amount to be allocated to the Project for the purpose of establishing the "Applicable Percentage" as defined in Section 42(b).

- If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(1)(A)(ii)(I) of the Code, to fix the Applicable Percentage(s) for each building in the Project as the percentage(s) prescribed by the Secretary of the Treasury for the month of this Carryover Allocation Agreement. MFA and the Owner acknowledge that this Carryover Allocation Agreement constitutes an agreement binding upon MFA, the Owner, and all successors in interest to the Owner as owners of the Project, as to the allocation of 2016 tax credits to the building(s) in the Project, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of MFA.

MONTH: _____ APPLICABLE PERCENTAGE: _____%

- If this box is checked, the Owner has made no election pursuant to Section 42(b)(2)(A)(ii)(I) of the Code, and accordingly, the Applicable Percentage for a building shall be that for the month in which the particular building is placed in service.

TEN PERCENT LETTER
Independent Accountant's Report
(To be submitted on Accounting Firm's Letterhead)

Date:

To: New Mexico Mortgage Finance Authority
344 4th Street, SW
Albuquerque, NM 87102

And

_____ (the "Owner")
Address
Address Line 2

Re: [PROJECT NAME], [MFA Project #]

We have examined the accompanying Certification of Costs Incurred ("Exhibit A") of the Owner for _____ (the "Project") as of _____, 20___. Exhibit A is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on Exhibit A based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Exhibit A and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Exhibit A was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting and by the New Mexico Mortgage Finance Authority ("MFA"), which is a comprehensive basis of accounting other than generally accepted accounting principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonably expected basis and, accordingly, we do not express any opinion or any other form of assurance on such estimates. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, Exhibit A referred to above presents fairly, in all material respects, costs incurred for the Project as of _____, 20___, on the basis of the accounting described above.

In addition to examining Exhibit A, we have, at your request, performed certain agreed-upon procedures, as enumerated below, with respect to the Project. These procedures, which were agreed to by the Owner and MFA, were performed to assist you in determining whether

the Project has met the 10% Test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures:

- We calculated, based on estimates of total development costs provided by the Owner, the Project's total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be \$_____ as of December 31, 2018.
- We calculated the reasonably expected basis incurred by the Owner as of _____, 2017 to be \$_____.
- We calculated the percentage of the development fee incurred by the Owner as of _____, 20__ to be ___% of the total development fee.
- We compared the reasonably expected basis incurred as of _____, 2017 to the total reasonably expected basis of the Project, and calculated that ___% had been incurred as of _____, 2017.
- We determined that the Owner uses the accrual method of accounting, and has not included any construction costs in carryover allocation basis that have not been properly accrued.
- Based on the amount of total reasonably expected basis listed above, for the Owner to meet the 10% Test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculated the Project needed to incur at least \$_____ of costs prior to August 31, 2017. As of _____, 2017, costs of at least \$_____ had been incurred, which is approximately ___% of the total reasonably expected basis of the Project.

We were not engaged to, and did not, perform an audit of the Owner's financial statements or of the Project's total reasonably expected basis. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Owner and Owner's management and for filing with MFA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Signature of Professional

Date

Printed Name of Signatory

Title of Signatory

FORM OF OWNER'S ATTORNEY'S OPINION
[To be Submitted on Firm's Letterhead]

[Date]

New Mexico Mortgage Finance Authority
344 4th Street SW
Albuquerque, New Mexico 87102

Re: 2016 Housing Tax Credit Carryover Allocation Application
Name of Project: _____
Owner: _____
Owners' Federal Tax Identification Number: _____

Gentlemen:

We have acted as counsel to _____
(the "Owner") in connection with the Owner's application to the New Mexico Mortgage Finance Authority ("MFA") for a Carryover Allocation of housing tax credits with respect to the Project described in the Owner's Carryover Allocation Application.

We have examined the Carryover Allocation Application Package and the Owner's Rental Project Application with respect thereto (collectively, the "Application") and the Housing Tax Credit Carryover Allocation Agreement Format between the Owner and the Authority (the "Carryover Agreement"). We have also reviewed the report of the Owner's tax accountant relative to the costs of the Project, Section 42 of the Code, the regulations issued pursuant thereto and such other records of the Owner and binding authority as we believe to be applicable to the issuance of the opinions hereinafter expressed.

Based upon the foregoing reviews and upon due investigation of such matters as we deem necessary in order to render the opinions hereinafter expressed, but without expressing any opinion as to the reasonableness of the estimated or projected figures set forth in the Application, we are of the opinion that:

1. To the best of our knowledge, none of the information provided to MFA by the Owner in the Application is untrue or incomplete in any material respect.

2. Each building which is the subject of the Package meets the ten (10) year "look-back" requirements of Section 42(d)(2)(B) of the Code. **[If building does not meet requirements but is eligible for exception, so state and identify the basis for qualification.]**

3. As of this date, each building in the Project for which a carryover allocation is requested in the Application is a qualified building as defined in Section

42(h)(1)(E)(ii) of the Code (that is, each is part of a Project in which the Owner's basis is more than ten percent (10%) of said Owner's reasonably expected basis, as of December 31, 2018, in the Project), and, assuming that each building will be placed in service by December 31, 2018, as of this date, the Owner is eligible in accordance with Section 42(h)(1)(E) of the Code for an allocation of credits for the project in the maximum amount specified therefore in the Application.

This opinion is rendered solely for the purpose of inducing the Authority to make a carryover allocation of credits to the Owner. Accordingly, it may be relied upon only by the Authority and not by any other party for any other purpose.

Firm Name

By: _____

Its: _____

Rental Development Project Application

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
505-843-6880



Date of Application: _____	For MFA Use Project Number: _____
----------------------------	---

SECTION I: Application Type (Please check and complete all applicable items)

Application for Tax Credit Projects: _____
Amount of annual Federal credit requested: _____
Amount of State credit requested: _____
Federal tax credit set-aside: _____
Federal Tax Credit Application Type: _____

Loan Program: _____
Financing Type: _____
Const. loan amount requested: _____ Interest rate requested: _____
Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____
Financing Type: _____
Const. loan amount requested: _____ Interest rate requested: _____
Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____
Financing Type: _____
Const. loan amount requested: _____ Interest rate requested: _____
Const/sale/lease up period (Mos.): _____ Term (years): _____

Loan Program: _____
Financing Type: _____
Const. loan amount requested: _____ Interest rate requested: _____
Const/sale/lease up period (Mos.): _____ Term (years): _____

SECTION II: Project Address and Identification

Project Name: _____	Census Tract: _____
Project Address: _____	Congressional District: _____
_____	State Senate District: _____
City: _____	State House District: _____
State: _____ Zip Code: _____	
County: _____	

(Attach additional sheet(s) if necessary)

SECTION III: Type of Project

Federal Tax Credit Activity Type: _____
Development Activity Type: _____

SECTION IV: Description of Project

Subsidy, Period of Affordability - Use Restriction

Will project use project-based rental assistance subsidies? No. of Units
 Will project accept Section 8 vouchers or certificates?

Low Income Housing Tax Credit Applications:

Project owner irrevocably commits to an Extended Use Period of years.*
 *Includes 15 yr. compliance period

Section 811 Project Rental Assistance ("PRA")- Please check the box if you are interested in receiving
 more information on optional funding for Special Needs units under Option A of QAP criterion no. 10.
 Section 811 PRA funds may be available for five or more of the 30% AMI units reserved thereunder.

All other applications:

The owner irrevocably commits to a use restriction period of years.

Income, Rent and Occupancy Restrictions:

The minimum Federal set-aside (for Federal Tax Credit or Risk-Sharing projects only) is:

Note that only Low income units as determined by the Project's Set Aside Election are eligible for Tax Credits. For example, if the 20/50 Election is chosen, only Units that are rent restricted and set aside for tenants whose income does not exceed 50% of Area Gross Median Income are qualified as Low Income Units. See QAP §II.D.

All Projects:

List overall **income** restrictions

# Units	will be for households with incomes at or below	%	of the area median income
<input type="text"/>	will be for households with incomes at or below	30	of the area median income
<input type="text"/>	will be for households with incomes at or below	40	of the area median income
<input type="text"/>	will be for households with incomes at or below	50	of the area median income
<input type="text"/>	will be for households with incomes at or below	60	of the area median income
<input type="text"/>	will be for households with incomes at or below	80**	of the area median income
<input type="text"/>	will be for households with incomes at or below	120**	of the area median income
<input type="text"/>	will be for households with no income limitation**	** Not available for LIHTC	
0	Total Rental Units		

Weighted Average Income Level of All Units

List overall **rent** restrictions

# Units	will be for households with rents at or below	%	of the area median income
<input type="text"/>	will be for households with rents at or below	30	of the area median income
<input type="text"/>	will be for households with rents at or below	40	of the area median income
<input type="text"/>	will be for households with rents at or below	50	of the area median income
<input type="text"/>	will be for households with rents at or below	60	of the area median income
<input type="text"/>	will be for households with rents at or below	80**	of the area median income
<input type="text"/>	will be for households with rents at or below	120**	of the area median income
<input type="text"/>	will be for households at market rates**	**Not available for LIHTC	
0	Total Rental Units		

Weighted Average Rent Level of All Units

Target Population Information:

% of Units	Population Type	# of Units
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Are support services being provided to clients?
 Are costs of support services included in rent?
 Number of handicap accessible units:

Site Information

Site control is in the form of: Deed Option Lease (Term _____ years) Purchase Contract Other _____

Expiration date of contract, option or lease _____ (month/year)

Name of Seller or Lessor: _____
 Address: _____
 City: _____ State: _____
 Telephone: _____ Zip code: _____

Is there an identity of interest between Buyer and Seller? _____
 If yes, explain: _____

Area of site: _____ Acres **OR** _____ Square Feet

Is site zoned for your development? _____ Zoning _____
 If no, is site currently in the process of re-zoning? _____ Re-zoning _____
 When is the zoning issue to be resolved? _____ (month/year)

Has locality approved site plan? _____
 Has locality issued building permit? _____
 Are all utilities presently available to the site? _____
 If no, which utilities need to be brought to the site? _____
 Who has responsibility of bringing utilities to site? _____

Buildings

	# of Bldgs	Low income	Market rate	Mgr/Empl	Common	Commercial	Total Units or Sq. Ft.
Buildings containing rental units	# of bldgs.	# of units	# of units	# of units			0
Gross square feet in buildings w/rental		Sq. Ft	Sq. Ft	Sq. Ft	Sq. Ft.	Sq.Ft.	0
Buildings w/o rental units	# of bldgs.			# of bldgs.			# of bldgs.
Gross square feet in buildings w/o rental				Sq. Ft.	Sq. Ft.	Sq. Ft.	0
Total Units		# of units	# of units	# of units			0
Total Sq. Ft.		Sq. Ft	Sq. Ft	Sq. Ft	#VALUE!	#VALUE!	#VALUE!

Number of floors in tallest building: _____ Total number of elevators _____

- Please check all applicable items:
- Apartments Detached units High rise (4 stories or more) Walk-up Slab on grade
 - Townhome Semi-detached/duplex Mid rise (2-3 stories) Crawl space
 - Group Home Assisted living Manufactured Other _____

Structural system: _____ Exterior finish: _____
 Floor system: _____

Appliances and Amenities Provided Without Additional Charge:

Amenity/Appliance	Market units	Low-income units
Refrigerator		
Gas range		
Electric range		
Dishwasher		
Disposal		
W/D hookups		
A/C or evap cooler		
Carpet		
Drapes/shades		
Exhaust fan		
Range hood		
Other		

Monthly Utility Allowance Calculations:

Utilities	Type of Utility (gas, electric, etc.)	Utilities paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	___ bdr
Heating							
Evap cooling/AC							
Cooking							
Lighting, etc.							
Hot water							
Water							
Sewer							
Trash							
Total Utility Allowance for Units:			0	0	0	0	0

Source of Utility Allowance Calculation: _____
 If Other: _____

Note: Documentation to support Utility Allowance claims from source identified above must be submitted with this application. Failure to do so will result in the application being deemed incomplete.

SECTION V: Acquisition Projects Only

Building(s) are vacant: _____

Does this project involve any relocation of tenants? _____

If yes, please describe the proposed relocation assistance and plan or attach a copy of the relocation plan: _____

Last date of occupancy mm/yy: _____ Year construction was completed: _____

Building(s) acquired or to be acquired from: _____

Building(s) acquired or to be acquired with Buyer's basis (Federal tax credit only): _____

Is this project a historic building? _____

Is the project located in a historic district? _____

Is a HUD approval for Transfer of Physical Assets required? _____

Are building(s) previously subsidized with Federal tax credits? _____

Acquisition Projects Only (Federal Tax Credit Only) continued:

List below, by address, the date the building was placed in service, the date the building was or is to be acquired, and the number of years between the date the building was placed in service and date of acquisition. Attach separate sheet(s) with additional information if necessary.

Address(es) of building(s)	Placed-in-service date (by most recent owner)	Proposed date of acquisition by applicant	Number of years between dates

SECTION VI: Developer/Project Contact Information

Name:	_____	Federal Tax I.D. Number:	_____
Address:	_____	Telephone:	_____
	_____	Fax:	_____
City:	_____	Project contact:	_____
State:	_____ Zip code: _____	Contact email:	_____

Organization type: _____
 *Nonprofits must complete nonprofit developer information in Section VII of this application

SECTION VII: Owner/Partnership/Borrower Information

Note: MFA reserves Federal Tax Credits to the partnership and general partners. Reservations are not transferable. Any unapproved change in general partner status results in reservation, commitment, or carryover forfeiture.

Name of Borrower or Ownership Entity:	_____
Federal Tax I.D. Number:	_____
Type of Entity:	_____
If Other:	_____

List below: if Partnership, limited partners with a 25% or greater interest and all general partners; or if corporation/LLC, stockholders with a 10% or greater interest and all officers. Indicate "Title" i.e individual, Gen. Partner, Ltd Partner, Pres., Secy., Treas., Stockholder, etc. as appropriate. **(Federal Tax Identification Numbers are Required)**

Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
	_____	Phone:	_____
City:	State: _____ Zip code: _____	Fax:	_____
Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
	_____	Phone:	_____
City:	State: _____ Zip code: _____	Fax:	_____
Name:	_____	Federal Tax I.D.:	_____
Title:	_____	% Ownership:	_____
Address:	_____	Contact:	_____
City:	State: _____ Zip code: _____	Fax:	_____

SECTION VIII: Nonprofit Determination

(Federal Tax Credit and HOME Projects Only)

If this project is to be considered for the Nonprofit Set-Aside, or for additional points for nonprofit participation, the following information must be complete. To qualify for the nonprofit set-aside, the applicant must materially participate in the development and operation of the project throughout the compliance period. Within the meaning of IRC 469(h), "a (nonprofit) shall be treated as materially participating in an activity only if the (nonprofit) owns an interest in the project and is involved in the development and operation of the project on a basis which is regular, continuous or substantial."

Nonprofit name:	<input type="text"/>	E.I.N.:	<input type="text"/>
Street address:	<input type="text"/>	Telephone:	<input type="text"/>
City:	<input type="text"/>	State:	<input type="text"/>
Contact person:	<input type="text"/>	Zip code:	<input type="text"/>
		Email:	<input type="text"/>

Exemption Type:

Exempt purposes includes fostering of Low-Income Housing:

Will the nonprofit hold a 51% or greater interest in the General Partner (if partnership) or in the managing member (if LLC) and receive at least 10% of the developer fee?

Describe the nonprofit's participation in the development, operation, and/or management of the project:

- ◆ Attach current list of Board members for the nonprofit organization indicating their home addresses. If a member holds a PO Box, provide a signed affidavit referencing the Member's physical residential location.
- ◆ Attach a list of all paid full-time staff and sources of funds for annual operating expenses and current program.

SECTION IX: Previous Participation of Applicants

- ◆ List all previous affordable multifamily housing development experience for each General Partner and any entity receiving all or part of a developer fee using Schedule H. If any Principal has an interest outside of the interests of the entities they represent, that Principal must complete a separate Schedule H.
- ◆ "Principal" means an applicant, any general partner of an applicant, and any officer, director, commissioner, shareholder, general partner, managing member, or an affiliate of an applicant. It also includes any entity receiving any part of a developer fee for a project.

SECTION X: Previous Participation of Management

- ◆ List all previous multifamily management experience using Schedule I.

SECTION XI: Development Team Information

	Developer Fee Amount	² Identity of Interest?
Developer ¹		
General Partner ¹		
Contractor ¹		
Management Co. ¹		
Consultant ¹		
Architect ¹		
Attorney		
Accountant		

¹ Each member of the development team must submit a resume which lists qualifications, address, telephone number and contact person.

² Please check the appropriate box and list any direct or indirect, financial or other interest any member of the development team may have with another member of the development team, or between any of the parties involved in the acquisition, construction, refinancing, rehabilitation, or management of this project.

SECTION XII: Notification of Local Official

Provide the name of the smallest local political jurisdiction in which the project will be located and include the name and address of the chief executive officer of the political jurisdiction.

Political jurisdiction: _____
 Chief Executive Officer: _____
 Title: _____
 Address: _____

 City: _____ State: _____ Zip code: _____
 Telephone: _____

All attachments to this Development Project Application form are identified in the appropriate Exhibits Checklist. If you are applying for more than one program, separate copies must be provided for each program checklist. All attachments must be clearly labeled and provided in the order requested.

MFA reserves the right to request additional materials as needed or require changes in the information submitted herewith. MFA may adjust any or all figures provided herein for underwriting purposes.

Applicant Certification

The undersigned hereby applies for the intem(s) as specified above and represents that the property described herein will not be used for any illegal or restricted purposes. The undersigned certifies that the statements made in this application and all attachments are true, correct and complete. Verification may be obtained from any source necessary. The undersigned agrees to pay applicable fees when due, and MFA's direct costs within ten (10) days of MFA's request for payment. The undersigned further certifies and represents that he or she is duly authorized and has full authority to execute this Application on behalf of the Applicant and the Project Owner.

Original Signature(s) Required

Signature: _____ Date: _____
 Name: _____
 Organization _____ Title: _____

 Signature: _____ Date: _____
 Name: _____
 Organization _____ Title: _____

This is a multiple sheet Excel Workbook with Schedules for various MFA rental programs. Schedules "A" through "I" are separate worksheets (See Tabs at bottom while in Excel.).

Each of the schedules is a required for a Low Income Housing Tax Credit (LIHTC) Application. There are other schedules which are also needed to complete the LIHTC Application (see website) Schedules F & G are only required for LIHTC, not for other rental applications such as HOME, Primero, NM Housing Trust Fund, EnergySavers and Land Title Trust Fund. Schedules H & I are not required for 542 C Risk Share and ACCESS loans because those loan programs require that the Principals and the Management Agent complete HUD form 2530, which supplies the same information.

This is a rental programs. bottom wh

Each of the (LIHTC) / complete t for LIHTC Trust Fund required for require tha which supj

multiple sheet Excel Workbook with Schedules for various MFA rental
Schedules "A" through "I" are separate worksheets (See Tabs at
file in Excel.).

These schedules are required for a Low Income Housing Tax Credit
Application. There are other schedules which are also needed to
complete the LIHTC Application (see website) Schedules F & G are only required
for LIHTC, not for other rental applications such as HOME, Primero, NM Housing
Finance, EnergySavers and Land Title Trust Fund. Schedules H & I are not
required for 542 C Risk Share and ACCESS loans because those loan programs
require the Principals and the Management Agent complete HUD form 2530,
which provides the same information.

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE A: DEVELOPMENT COST BUDGET**

Project Name: _____ Date: _____
 Total Units: _____ Low Income Units: _____

*Round figures to nearest dollar

					Federal HTC REQUESTS ONLY	
	TOTAL ACTUAL COST	COMMERCIAL	RESIDENTIAL	RESIDENTIAL COSTS ONLY		
				30% HTC BASIS	70% HTC BASIS	
ACQUISITION COSTS						
Land Acquisition						
Building Acquisition						
Other						
SUBTOTAL				0	0	
TOTALS FROM SCHEDULE "D" CONTRACTOR'S AND MORTGAGOR'S COST BREAKDOWN						
Demolition (I)						
Accessory Structures (II)						
Site Construction (III)						
Buildings and Structures (IV)						
Off-Site Improvements (V)						
Other Costs (VI)						
SUBTOTAL (VII)				0	0	
OTHER CONSTRUCTION COSTS						
Contractor Overhead						
Contractor Profit						
General Requirements						
Construction Contingency						
Gross Receipts Tax (GRT)						
SUBTOTAL				0		
PROFESSIONAL SERVICES/FEES						
Architect (Design)						
Architect (Supervision)						
Attorney (Real Estate)						
Engineer/Survey						
Other						
Other						
SUBTOTAL				0		
CONSTRUCTION FINANCING						
Hazard Insurance						
Liability Insurance						
Performance Bond						
Interest						
Origination\Discount Points						
Credit Enhancement						
Inspection Fees						
Title and Recording						
Legal						
Taxes						
SUBTOTAL				0		

--CONTINUED ON NEXT PAGE--

FOOTNOTES

- | | |
|--|--|
| 1) Subtotal from Section I. Schedule "D" | 4) Subtotal from Section IV. Schedule "D" |
| 2) Subtotal from Section II. Schedule "D" | 5) Subtotal from Section V. Schedule "D" |
| 3) Subtotal from Section III. Schedule "D" | 6) Subtotal from Section VI. Schedule "D" |
| | 7) Subtotal from Section VII. Schedule "D" |

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE A: DEVELOPMENT COST BUDGET**

Project Name: _____ Date: _____

Total Units: _____ Low Income Units: _____

*Round figures to nearest dollar

	TOTAL ACTUAL COST	COMMERCIAL	RESIDENTIAL	Federal HTC REQUESTS ONLY	
				RESIDENTIAL COSTS ONLY	
				30% HTC BASIS	70% HTC BASIS
PERMANENT FINANCING COSTS					
Bond Premium					
Credit Report					
Origination\Discount Points					
Credit Enhancement					
Title and Recording					
Legal					
Pre-Paid MIP					
Other					
Reserves and Escrows					
SUBTOTAL					
SOFT COSTS					
Market Study					
Enviromental					
Tax Credit Fees					
Appraisal					
Accounting/Cost Certification					
Other					
SUBTOTAL				0	
SYNDICATION					
Organization					
Bridge Loan					
Tax Opinion					
Other					
SUBTOTAL					
TDC before Dev. Fees & reserves					
RESERVES					
Rent Up					
Operating					
Replacement					
Escrows/Working Capital					
SUBTOTAL					
DEVELOPER FEES					
Developer Fee					
Consultant Fee					
SUBTOTAL					
Total Development Cost TDC)					

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE B: UNIT TYPE AND RENT SUMMARY**

Project Name: 0

Date: 0

Section A	Restricted Units at 60% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance (%):	7.00%					

Section B	Restricted Units at 50% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section C	Restricted Units at 40% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section D	Restricted Units at 30% of Median					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section E	Market Rate / Unrestricted Units					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Vacancy Allowance:	7.00%					

Section F	Total All Units (Total Section A-E)					
Number BR/Unit Type	Efficiency	1-BR	2-BR	3-BR	-BR	Totals
Net Sq. Ft./Unit						
Number of Units						
Gross Monthly Rent/Unit ⁽¹⁾						
Minus: Utility Allowance						
Net Monthly Rent/Unit						
Annual Rental Income (All Units)						
Units Receiving Rental Assistance (To be included in Sections A-E)						
Non-Revenue Generating Units ⁽²⁾						
Vacancy Allowance:	7.00%					

⁽¹⁾Not to exceed rent limits for program applied for.

⁽²⁾Non-Revenue Generating Units (Not to be included in Sections A-E) Specify Use:

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE C: OPERATING EXPENSE BUDGET**

Project Name: 0 _____ Date: 0 _____

	Total Units:	Total Budget	Per Unit Cost
INCOME			
1	Annual Rental Income Per Schedule B/Section F		
2	Parking Income		
3	Laundry Income		
4	Other Income (Specify)		
	Income Subtotal	-	
5	Less Vacancy @ 7%	-	
6	Commercial Income		
7	Less Vacancy @ 50%		
8	TOTAL INCOME		
EXPENSES			
ADMINISTRATIVE EXPENSES			
9	Accounting and Audit		
10	Advertising		
11	Legal		
12	Property Management Fee @ 5.00%		
13	Gross Receipts Tax (GRT) on Management Fee		
14	Management Salaries/Taxes		
15	Office Supplies and Postage		
16	Telephone		
17	Annual Compliance Fees (\$45 per LI unit)		
18	Other (Specify):		
19	SUBTOTAL ADMINISTRATIVE EXPENSES		
UTILITY EXPENSES			
20	Fuel (Heat and Water)		
21	Electricity		
22	Water and Sewer		
23	Gas		
24	Garbage/Trash		
25	Other (Specify):		
26	SUBTOTAL UTILITY EXPENSES		
MAINTENANCE EXPENSES			
27	Elevator		
28	Exterminating		
29	Grounds		
30	Repairs		
31	Maintenance Salaries and Taxes		
32	Maintenance Supplies		
33	Pool		
34	Snow Removal		
35	Decorating		
36	SUBTOTAL MAINTENANCE		
FIXED EXPENSES			
37	Real Estate Taxes		
38	In Lieu of Taxes		
39	Other Tax Assessments		
40	Insurance		
41	Other (Specify):		
42	SUBTOTAL FIXED EXPENSES		
SUBTOTAL EXPENSES BEFORE RESERVES			
RESERVE FOR REPLACEMENT/OTHER RESERVES			
43	Reserve for Replacement (Annual) ⁽¹⁾		
44	Other (Specify):		
45	Other (Specify):		
46	Other (Specify):		
47	Other (Specify):		
48	SUBTOTAL RESERVES (Do not include debt service)		
49	Enrichment Services		
50	TOTAL EXPENSES		
51	NET OPERATING INCOME (Total Income Minus Total Expenses)		

(1) Minimum reserves per unit per year: **\$250/unit/year** for Senior Housing (new construction only), and **\$300/unit/year** for all other new construction and rehabilitation projects.

Management Agent/Applicant Certification: The operating budget provided above is that which will serve as the project's operating budget for its first year of operations, pursuant to agreement by the following parties:

Applicant(s) Signature(s): (1) _____ (2) _____

Date: (1) _____ (2) _____

Printed Name/Title: (1) _____ (2) _____

Management Agent Signature: _____ Date: _____

Printed Name/Title: _____

CASH FLOW PROJECTION

0.00

Annual Inflation Factors

Residential Rents: 2.00%
 Expenses (except Mgmt fees) 3.00%
 Replacement Reserves: 3.00%

Vacancy: 7%
 Commercial Vacancy 50%

0.00

Date: 0.00

Annual Projections (Post Construction Period)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income															
Residential Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income Vacancy Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income (EGI)	0														
Expenses															
Expenses (less reserves and mgt fees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mgmt fees + GRT (increases with EGI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	0														
Annual Debt Service (Hard Debt)															
First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Third Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fourth Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	0														
Net Project Cash Flow	0														
Debt Service Coverage - First	#DIV/0!														
Debt Service Coverage - All Debt	#DIV/0!														

MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE D: CONTRACTOR'S AND APPLICANT'S COST BREAKDOWN

Project Name: 0

Federal HTC Requests ONLY

Construction Period: Start Date: _____ Completion: _____

Residential Costs ONLY

	Trade Item	Total Cost [A] ⁽¹⁾	Commercial [B]	Residential [C]	Residential Costs ONLY	
					30% HTC Basis [D]	70% HTC Basis [E]
I.	Demolition					
II.	Accessory Structures					
III.	Site Construction					
	Earth Work					
	Site Utilities					
	Roads & Walks					
	Site Improvements					
	Lawns & Planting					
	Unusual Site Conditions					
	<i>Sub-total: Site Construciton</i>				0	
IV.	Buildings and Structures					
	Concrete					
	Masonry					
	Metals					
	Woods and Plastics					
	Thermal and Moisture Protection					
	Doors and Windows					
	Finishes					
	Specialties					
	Equipment					
	Furnishings					
	Special Construction					
	Conveying Systems					
	Mechanical					
	Electrical					
<i>Sub-total: Building and Structures</i>						
V.	Off-Site Improvements (List)					
	<i>Sub-total: Off-Site Improvements</i>				0	0
VI.	Other Costs (List)					
	<i>Hard costs only - Do not include those listed in Sched. A (e.g. "Other Construction Costs")</i>					
	<i>Sub-total: Other Costs</i>					
VII.	TOTAL CONSTRUCTION COSTS					

⁽¹⁾ Sum of Columns B and C.

Applicant Signature _____

Date _____

Applicant Signature _____

Date _____

Contractor Signature _____

Date _____

**MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE E: DEVELOPMENT SCHEDULE**

Project Name: 0 Date: 0

ACTIVITY	Scheduled Date: Month/Year	Check if Complete	Assigned Staff
Site Option/Contract Executed Environmental Review Completed Site Acquisition Zoning Approval			
Financing: Non-MFA Sources <u>Construction Loan</u> Application Approval Closing <u>Permanent Loan</u> Application Approval Closing <u>Tax Credit Equity</u> RFP Letter of Intent Partnership Closing <u>Other Loans & Grants</u> Type/Source: _____ Application Award Closing <u>Other Loans & Grants</u> Type/Source: _____ Application Award Closing			
Plans & Specifications Completed Relocation Plan Completed Building Permits Obtained Construction Start Construction Completion Fair Housing Marketing Plan Completed Placed-in-Service/C of O Lease-Up			

MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE F: ESTIMATE OF TAX CREDIT ALLOCATION AMOUNT

Project Name: 0

Date: 0

		30% HTC Basis	70% HTC Basis	For MFA Use
	Total Eligible Basis (From Schedule A)			
Less:	Federal grant used to finance qualifying development costs (specify source)			
Less:	Non-qualified non-recourse financing / federal subsidy (specify source)			
Less:	Non-qualifying excess portion of higher quality market rate units			
Less:	Historic Tax Credit (Residential Portion Only)			
Equals:	Eligible Basis			
Multiplied by:	Adjustment for Qualified Census Tract or Difficult to Develop Area ⁽¹⁾	100%	130%	
Equals:	Eligible Basis			
Multiplied by:	Applicable Fraction (Insert the lesser of the fractions calculated below.) Multiply line above by this fraction to obtain Total Qualified Basis below.	0.00%	0.00%	
Equals:	Total Qualified Basis			
Multiplied by:	Applicable Tax Credit Percentage			
Equals:	Total Tax Credit Request			

Applicable Fraction Calculation:			
Floor Space Fraction		Unit Fraction	
Total Residential Rental Floor Space		Total Units	
Low-Income Units Floor Space		Low-Income Units	
Percent Low-Income		Percent Low-Income	

(1) If site lies in either of these types of areas, insert 130%, otherwise insert 100%.

MFA MULTIFAMILY PROJECT APPLICATION
SCHEDULE G: AFFORDABLE UNIT SET-ASIDE ELECTION

Project Name: _____

The Owner irrevocably elects one of the Minimum Set-Aside Requirements:

At least 20% of the residential units in this development are rent-restricted and to be occupied by households with incomes at 50% or less of area median income; or

At least 40% of the residential units in this development are rent-restricted and to be occupied by households with incomes at 60% or less of area median income; or

Deep rent skewing option as defined in Section 42

Only Low Income Units as determined by the Project's Set Aside Election are eligible for Tax Credits. For example, if the 20/50 Election is chosen, only Units that are rent restricted and set aside for tenants whose income does not exceed 50% of Area Gross Median Income are qualified as Low Income Units.

In order to qualify for tax credits, projects must meet the minimum set-aside elected as of the close of the first year of the credit period.

Signature _____

Date: _____

Signature _____

Date: _____

**MFA HOUSING DEVELOPMENT PROJECT APPLICATION
SCHEDULE H: APPLICANTS' PREVIOUS PARTICIPATION CERTIFICATE**

Entity Name: _____

Role in Project: _____

Name of signer: _____

Title of signer: _____

Project Name	Project Address	Status of Project	# of Units	Type(s) of Financing	Most recent Compliance Audit	Most recent Physical Inspection	Was Project ever in Default During your participation?	List any Co-Developers or Consultants
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	
					Date: _____ Agency: _____ Rating: _____	Date: _____ Agency: _____ Rating: _____	If "Yes" attach explanation	

The undersigned being duly authorized, hereby represents and certifies under penalty of perjury that the foregoing information, to the best of his/her knowledge, is true, complete and accurate, and hereby consents to the release of information to MFA by any other State or Federal agency monitoring Project compliance.

Signature: _____

Date: _____

- 1) Each General Partner and any entity receiving all or part of the developer fee must submit a separate Schedule H listing all projects in which they have a financial interest.
- 2) If Executive Staff, Board Member, Commissioners, or other Principals have interests in projects other than those already listed on a Schedule H, they must submit a separate Schedule H listing the additional projects.

"Principal" means an Applicant, any general partner of an Applicant, and any officer, director, board member or any shareholder, general partner, managing member, or affiliate of an Applicant. It also includes any entity receiving any part of a developer fee for a Project. For Project compliance purposes (Section IV.C.11 of the QAP), Principal would include shareholders with interests of 25 percent or more, all officers of a corporation (whether Board members or employees), all general partners or members.

**MFA HOUSING DEVELOPMENT PROJECT APPLICATION
SCHEDULE I: PREVIOUS PARTICIPATION OF MANAGEMENT**

Development Name	Development Address	Owner Name/Address/Phone	# of Units	# of Affordable Units	Most recent Compliance Audit			Most recent Physical Inspection			On-site Manager	Type of Development (LIHTC, Market, HUD, USDA-RD, etc)
					Date:			Date:				
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					
					Date:		Date:					
					Agency:		Agency:					
					Rating:		Rating:					

The undersigned being duly authorized, hereby represents and certifies under penalty of perjury that the foregoing information, to the best of his/her knowledge, is true, complete and accurate. The undersigned hereby acknowledges that MFA may, at its option, verify the information provided herein by contacting the Owner listed above.

Name of Signer _____
 Title of Signer _____
 Company _____

Signature: _____ Date: _____

**Special Needs Housing Set-Aside Agreement
Between
Local Lead Agency and Project Owner**

WHEREAS, _____ (“Project”), more particularly described in **Exhibit A**, was awarded Low-Income Housing Tax Credits (“LIHTC”) assistance from the New Mexico Mortgage Finance Authority (“MFA”) to construct or rehabilitate [# of units] apartment units in _____, New Mexico; and

WHEREAS, _____ (the “Project Owner”) committed to reserve _____ percent (%) of the total units (“Special Needs Units”) to individuals/households that meet the definition of “Households with Special Needs” as defined in the 2016 State of New Mexico Housing Tax Credit Program Qualified Allocation Plan (“QAP”) eligible and

WHEREAS, _____ (the “Local Lead Agency”) provides, coordinates or contracts with agencies that provide direct community-based services in the _____ County area to these populations; and

WHEREAS, the Local Lead Agency seeks to expand and support supportive housing opportunities for Households with Special Needs in their communities, and

WHEREAS, there are certain terms contained within this Special Needs Housing Set-Aside Agreement (“Agreement”) that are capitalized shall be defined in the manner set forth in such Glossary attached as Exhibit B, the QAP, or Section 42 of the Internal Revenue Code, and

WHEREAS, the Project Owner may have special conditions pertaining to the Project that are unique and such conditions and any requirements of those conditions are contained and set forth in **Exhibit C** (included, only if applicable),

NOW, THEREFORE, the Project Owner and the Local Lead Agency agree to the following roles and responsibilities regarding the [# of units] Special Needs Units reserved within Project for Households with Special Needs.

PROJECT OWNER

The Project Owner shall:

Set-aside [# of units] of Special Needs Units for persons eligible as described in the QAP and referred by the Local Lead Agency.

- A. Assure that the _____[# of units] Special Needs Units will not be segregated within the Project or in any way be distinguishable (beyond, if applicable, the presence of accessible features or assistive technology) from any other unit in the Project.
- B. Assure that the _____[# of units]_Special Needs Units remain available to eligible members of the Special Needs Household population and that the purposes and provisions of this Agreement are maintained through the Compliance Period as defined in Section 42 of the Internal Revenue Code, as amended and any Extended Use Period.
- C. Meet with the Local Lead Agency and Property Manager to facilitate initial lease up of Special Needs Units; work jointly with the Local Lead Agency and Property Manager in developing the initial lease up calendar of target dates; and ensure ongoing and effective communication between all parties to this agreement.
- D. Promptly notify the Local Lead Agency and Property Manager, via email and phone, of any updates, delays or anticipated delays of the construction, delivery and issuance of certificate of occupancy for the Special Needs Units during the initial lease up phase of the property.
- E. Assure that arrangements outlined in this Agreement are maintained through the Compliance Period and Extended Use Period for the Special Needs Units.
- F. Provide or made to be provided reasonable accommodations/modifications as required under the provisions of the Fair Housing Act (“FHA”), Section 504 of the Rehabilitation Act of 1973 (“Rehab Act”), the Americans with Disabilities Act (“ADA”) and any other current local or state fair housing laws with which Projects are already expected to comply.

LOCAL LEAD AGENCY

The Local Lead Agency shall:

- Pre-screen Special Needs applicants and make best efforts to assure that applicants referred to Project Owner or Property Manager for tenancy in the Special Needs Units:
 - Are members of the eligible population as defined herein,
 - Do not have household income in excess of applicable LIHTC limits for the property,
 - Have sufficient income to cover rent and tenant-paid utilities, and
 - Appear able to uphold his or her responsibilities under the lease as participants in this program.

Refer SNU Applicants to Project Owner or Property Manager for the duration of the Compliance Period and Extended Use Period. The Local Lead Agency must provide a standard letter of referral for each household referred to live in a Special Needs Units.

- Work with SNU Applicants to obtain and submit to Project Owner or Property Manager required supporting documentation such as sources of income and birth certificates, and
- Consistently maintain a waiting list for SNU Applicants eligible to reside in the Special Needs Units so that SNU Applicants can be referred according to agreed upon time frames to Project Owner or Property Manager for vacant Special Needs Units based upon the number of units specified in the application to MFA and LIHTC Land Use Restriction Agreement. If requested by Property Manager, Local Lead Agency shall provide Property Manager with a copy of the waiting list, and updates to the waiting list shall be provided as reasonably requested by Property Manager.
- Assist the referred SNU Applicants in the application process, including requesting and negotiating Reasonable Accommodations and Modifications as described in the FHA, the Rehab Act, and the ADA.
- Ensure that support services will be provided by the Household with Special Needs' referring or designated services provider organization. Support services will be available to Households with Special Needs on an as requested basis; are not a condition of tenancy but shall be provided as needed to support successful tenancy; and, as indicated by the Tenant's Services Plan jointly developed by the tenant and provider/organization. It is understood and agreed that these supportive services are not the responsibility of the Property Owner or Property Manager. If the designated services provider organization fails to provide the necessary services, the Local Lead Agency will intervene to avert eviction of the tenant; and, then assist the tenant in securing and designating another services provider organization.
- Facilitate communication with the Project Owner or Property Manager by designating and maintaining, in the event of staff turnover, a named individual as the tenant services liaison on matters related to units reserved for Households with Special Needs.

PROPERTY MANAGER

The Project Owner shall cause the Property Manager to:

- A. Provide a copy of the tenant selection plan to the Local Lead Agency.
- B. Promptly notify the Local Lead Agency via date and time stamped written or email communication, whenever the Property Manager becomes aware that a

- Special Needs Units is, or is becoming, available, including at initial occupancy and vacancy turnover.
- C. Promptly notify the Local Lead Agency via email and phone, of any updates, delays or anticipated delays of the construction, delivery and issuance of certificate of occupancy for the Special Needs Units during the initial lease up phase of the property.
 - D. Meet with the Local Lead Agency and Project Owner as needed to facilitate initial and ongoing lease up of Special Needs Units; work jointly with the Local Lead Agency in developing the calendar of initial lease up target dates; and ensure ongoing and effective communication between all parties to this agreement.
 - E. Participate in any Community Stakeholder meetings at the initial Project lease up phase and as necessary thereafter to facilitate access to Special Needs Units.
 - F. Screen all tenants referred by the Local Lead Agency using its established nondiscriminatory screening criteria.
 - G. Work with Local Lead Agency to obtain all required supporting documentation from tenants.
 - H. Comply with all applicable federal, state and local laws regarding fair housing and nondiscrimination.
 - I. Include language on Reasonable Accommodations under the Fair Housing Act and other relevant statutes and regulations on its application for tenancy.
 - J. If more than one unit is available, owner shall allow tenant to select between units for which they meet tenant selection plan criteria.
 - K. In the event a Household with Special Needs from the Local Lead Agency's waiting list does not meet the established criteria, the Property Manager shall notify the SNU Applicant and the Local Lead Agency within three (3) working days of referral and entertain requests for Reasonable Accommodations in accordance with State and Federal Fair Housing Law and the provisions of this Agreement. SNU Applicants shall be provided with an opportunity to appeal a rejection to the extent that the SNU Applicant is entitled to that right under the FHA, Rehab Act, or the ADA. The Property Manager shall not be obligated to provide the Local Lead Agency with any personal information concerning the SNU Applicant if the SNU Applicant does not consent to the release of same.
 - L. Referral Process:
 - 1. During the Initial Lease Up period, the Property Manager will notify the Local Lead Agency via date and time stamped written or email communication of Special Needs Units to become available 30 days in advance of unit availability.

The Local Lead Agency will refer one or more Households with Special Needs for application within the following established deadline:

- For developments with a set aside of 4 units or fewer referrals must be made within 7 business days after receipt of written or email notice from the Property Manager.
- For developments with a set aside of 5 or more units referrals must be made within 14 business days after receipt of written or email notice from the Property Manager.

The Property Manager must accept a *qualified* Household with Special Needs referred within 30 days of date that notice of unit availability was delivered to the Local Lead Agency, prior to accepting any other applicant for such unit. Property Managers who are under tight deadlines to meet their tax credit deadlines can negotiate with Local Lead Agencies to increase the timeliness of referrals.

2. After the Initial Lease Up period, when a unit reserved for Households with Special Needs becomes available, if the Local Lead Agency refers one or more Household with Special Needs within a reasonable period not to exceed 7 days after receipt of written notice from the Property Manager of notice of unit availability, the Property Manager must accept or decline such Household with Special Needs referrals prior to considering any other applicant(s) for such unit.
3. If the Local Lead Agency is unable to provide a referral within the allotted period, it may exercise its rights to extend the period it has to make preferential referrals for up to 25 additional days. In this case, the Property Manager is compelled to refrain from renting the unit to a tenant other than a SNU Applicant for an additional period of up to 25 days. However, in this case the Local Lead Agency must offer to compensate the Project Owner for the loss of rental income for a period of up to 25 days. If the unit is rented earlier than 25 days after it is vacated, the Local Lead Agency is only obligated to compensate the owner for the period of time between the end of the last lease and the beginning of the next lease, regardless of whether the Local Lead Agency used the full 25 days to make its referral.
4. Any notice of rejection of a SNU Applicant must be provided in writing to the SNU Applicant and to the Local Lead Agency, must provide the reason(s) for rejection in sufficient detail to permit the SNU Applicant to understand and respond to the rejection, must provide an opportunity for an informal conference, and must include a statement that if the reason(s) for rejection are related to a disability, a request for Reasonable Accommodation may be presented at or before the informal conference, provided that the Property Manager shall not be obligated to provide the Local Lead Agency with any personal information concerning the SNU Applicant if the SNU Applicant does not consent to the release of same.

The determination of whether the accommodation request is reasonable and whether the request will influence the SNU Applicant's eligibility determination is to be made within one week.

5. If there is no Reasonable Accommodation that will improve the SNU Applicant's eligibility determination, and the Local Lead Agency finds that the Project Owner met his obligations to participate in a process to reach a reasonable accommodation, the owner may proceed to consider the other SNU Applicants, if any, that were referred by the Local Lead Agency.
6. If all SNU Applicants that were referred in the initial referral period (or the 25- day extension exercised by the Local Lead Agency) are declined (and given their right to a seven-day period to work out a reasonable accommodation) the unit may be rented to any applicant eligible for the unit under tenant selection restrictions imposed by MFA. The next available unit in the property will be made available for referral for a SNU Applicant from the Local Lead Agency's Special Needs Household waiting list. The Property Manager is not required to hold a unit if the SNU Applicant fails to provide needed information (for example, verification of income) within 10 calendar days. The Property Manager is not obliged to accept a referred SNU Applicant unless the SNU Applicant is acceptable in accordance with the Property Manager's standard nondiscriminatory resident selection criteria (which must be applied consistently to all applicants for all units in the property).

M. Facilitate communication with Local Lead Agency by designating and maintaining, in the event of staff turnover, a named individual as the primary contact on matters related to the Special Needs Units.

All Parties

All parties to this Agreement agree:

- A. The Local Lead Agency, Property Manager and Project Owner will work jointly to ensure ongoing and effective communication is maintained at all times between all parties to this Agreement.
- B. That the Local Lead Agency is responsible for communicating as needed with the Project Owner and Property Manager to ensure timely referrals of qualified SNU Applicants to available Special Needs Units.
- C. That the provisions and the spirit of this agreement notwithstanding, decisions on the admittance and/or retention of tenants according to Fair Housing are the responsibility of the Project Owner and Property Manager.
- D. That tenant participation in supportive services will not be a condition of tenancy.

- E. That, in the event that disagreements or difficulties arise between the parties to this Agreement that they are unable to resolve through open and cooperative dialogue, they will seek assistance in resolving these conflicts through conference with the New Mexico Behavioral Health Collaborative's designated Statewide Entity (SE) responsible for contracting with Local Lead Agencies, and, a representative of MFA.
- F. That the terms of this Agreement for the Project prepared jointly by the Project Owner, Property Manager and Local Lead Agency as well as any attachments specified are hereby incorporated by reference.

Term

- A. The initial term of this Agreement is three years.
- B. The Project Owner (and its successors or assigns) shall accept renewals of this Agreement, if offered by the Local Lead Agency (and its successors or assigns) on substantially the same terms, for a term (or terms) not to exceed the duration of the Compliance Period and Extended Use Period.
- C. Neither expiration nor termination of the Agreement shall relieve the Project Owner of any of its obligations under leases with Special Needs Households.

Ability to Assign

- A. The Local Lead Agency may not assign this Agreement without the prior written consent of the Statewide Entity and the MFA, which consent shall not be unreasonably withheld.
- B. The Project Owner may assign this Agreement and its obligations hereunder to any successor to its business by merger or consolidation or to any party acquiring substantially all of the assets of the Project Owner's business, provided the assigning party guarantees the performance of and causes the assignee to assume in writing all obligations of the assignor under this Agreement and has received approval from the MFA.
- C. The rights and obligations of this Agreement shall bind and benefit any successors or assignees of the parties.

Default

- A. Default on the terms of this Agreement by the Project Owner shall constitute a default under one or more of the Land-Use Restriction Agreements pertaining to the Project under the Low Income Housing Tax Credit regulatory agreements.

Revised: June, 2012

- B. Both parties are required to notify one another, MFA, the Behavioral Health Collaborative and the Behavioral Health Collaborative's designated Statewide Entity responsible for contacting with the Local Lead Agencies in the event a default has believed to have occurred.

In Witness Whereof, the parties have executed or caused this Agreement to be executed by their duly authorized representatives as of the date written below.

Project Owner:

By: _____

Date: _____

Executive Director

Local Lead Agency:

By: _____

Date: _____

Executive Director

Attachments:

Property description including the specific mix of units designated as reserved units for Special Needs Household, any adaptability or accessibility features and /or assistive technology beyond the required minimums.

Contact information for all parties to this Agreement

Exhibit A: Property Description

Exhibit B: Glossary of Terms

Exhibit C: Special Conditions (if applicable)

Exhibit A

Property Description

General Information

Project Name			
Street Address			
Owner Name			
Owner Address			
Property Manager			Email:
Contact Phone Number			Fax:
Local Lead Agency (LLA)			
LLA Contact Phone Number			Fax:
Tenant Services Liason			

Contact phone

Building Information

	Residential Unit Mix:	Total Units	Fully Accessible	Assistive Technology	SNH unit
	0 Bedroom				
	1 Bedroom				
	2 Bedrooms				Floating
	3 Bedrooms				Floating
	4 Bedrooms				
	Total Units				
Total # of SNH units Required					
List Utilities included in rent					
List expected rents of SNH units					
	Income Unit Mix	Total Units	SNH Unit Set-Aside		
	<30 AMI				
	30-40% AMI		Floating		
	40-50% AMI		Floating		
	50-60% AMI		Floating		
	> 60% AMI				
	Market				
	Non-revenue				

Dated: August, 2016

EXHIBIT B
GLOSSARY

Term	Definition	Source of Definition
Household with Special Needs	“Households with Special Needs” means households in which an individual or household member is in need of supportive services, tenancy supports, and housing and has a substantial, long term disability, which includes any of the following: (1) Serious Mental Illness; (2) Addictive Disorder (i.e., individuals in treatment and demonstrated recovery from substance abuse disorder); (3) Developmental Disability (e.g., intellectual disability, autism, or other disability acquired before the age of 22); (4) Physical, sensory, or cognitive disability occurring after the age of 22; 5) Disability caused by effects of chronic illness (e.g., people with HIV/AIDS who are no longer able to work); (6) Age-related Disability (e.g., frail elderly, or, young adults with other special needs who have been in the foster care or juvenile services system), or, 7) households/individuals who are homeless.	2016 NMMFA QAP
Reserved	Refers to units that may not be rented to non-Special Needs Households unless the owner demonstrates a subsequent change in the level of demand for such units and a good faith effort to obtain the originally targeted number of units reserved for Special Needs Households. Any such change in reserve characteristics must be approved in advance by NMMFA.	2016 NMMFA QAP
Project Owner	Owner of the rental housing development located in New Mexico that has been awarded Low Income Housing Tax Credits through the New Mexico Mortgage Finance Authority	

Local Lead Agency (LLA)	“Local Lead Agencies” (LLAs) are organizations selected by the New Mexico Behavioral Health Collaborative, or its designee or successor in interest, to be responsible for supportive services including acting as referral agents for community services, providing and coordinating services provided by local service providers for Households with Special Needs. LLAs organize needed services for a specific geographic area, and/or specific target population. The LLA will enter into a formal agreement to provide tenant pre-screening, tenant referrals to the property manager, and social service coordination as well as serving as the Tenant Services Liaison. The LLA will remain in place for the length of the compliance and extended use period.	2016 NMMFA QAP
Property Manager	A Property manager is a person or firm contractually charged with operating a real estate property. Operating responsibilities typically include finding and working with tenants and overseeing maintenance of the property.	Modified definition from Wikipedia
Qualified Allocation Plan (QAP)	Qualified Allocation Plan shall mean the Qualified Allocation Plan, which was adopted by Board Action on October 21, 2015 and made effective as of January 1, 2016, and which was approved by the Governor of the State of New Mexico pursuant to Section 42(m)(1)(B) of the Code and sets forth the Project Selection Criteria and the preferences for Projects which will receive Tax Credits.	2016 NMMFA QAP
Compliance Period	Refers, with respect to any building that is included in a Tax Credit Project, a minimum period of 15 years beginning on the first day of the first taxable year of the Tax Credit period with respect thereto in which a Tax Credit Project shall continue to maintain the Low Income Units as Low Income Units pursuant to the Applicant’s Set Aside Election in the Application, pursuant to Section 42 of the Code.	2016 NMMFA QAP

Extended Use Period	“Extended Use Period” means, with respect to any building that is included in a Tax Credit Project, the period that begins on the first day of the Compliance Period and ends on the later of (i) the ending date of the term specified by the Applicant in the Initial Application Package and recorded in the Land Use Restriction Agreement or (ii) the date that is the fifteenth anniversary of the last day of the Compliance Period, unless earlier terminated as provided in Section 42(h)(6) of the Code or more stringent requirements of the HCA as reflected in the LURA.	2016 NMMFA QAP
SNU Applicant	A Special Needs Household referred by the LLA to the Owner or Property Manager when units are made available.	TAC Developed
Reasonable Accommodations	The Fair Housing Act, section 504 of the rehabilitation act of 1973, and the Americans with Disabilities Act each require housing providers to reasonable adjust their rules, policies, practices and procedures for people with disabilities if that is necessary to enable them to have an equal opportunity to use and enjoy facilities or programs.	Adapted from the various fair housing regulations
Reasonable Modification	Under fair housing law, a reasonable modification is physical modification to the premises that the Owner must allow a person with a disability to make — at their own expense —if needed to fully use and enjoy the housing unit.	
Project	“Project” means any work or improvement located or to be located in the state, including real property, buildings, and any other real and personal property, designed and intended for the primary purpose of providing decent, safe, and sanitary residential housing for individuals, whether new construction, acquisition of existing residential housing, or the remodeling, improvement, rehabilitation, or reconstruction of existing housing, together with such related non-housing facilities as the Agency determines to be necessary, convenient, or desirable.	
Set Aside	Refers to all or a portion of a Project’s Units that are Rent Restricted and/or limited to use by a specified tenant income category , or in the case of this agreement, by special needs tenant group. Set Asides will be described in the Land	2016 NMMFA QAP

	Use Restriction Agreement	
Fair Housing Act (FHA)	Section 504 of the Rehabilitation Act of 1973.	
Americans with Disabilities Act (ADA)	The Americans with Disabilities Act of 1990 (ADA) is the short title of United States (Pub.L. 101-336, 104 Stat. 327, enacted July 26, 1990), codified at 42 U.S.C. § 12101 et seq. It was signed into law on July 26, 1990, by President George H. W. Bush, and later amended with changes effective January 1, 2009. ¹ The ADA is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability	Wikipedia

**EXHIBIT A TO INDEPENDENT AUDITOR'S REPORT
ITEMIZED EXPENDITURES AS OF: _____**

Project Name: _____

	COSTS INDICATED ON APPLICATION	PROJECT'S EXPECTED BASIS	ELIGIBLE 10% TEST EXPENDITURES	EXPENDITURES AS % OF EXPECTED BASIS
LAND AND BUILDING				
Land Costs*	\$ _____	\$ _____	\$ _____	_____ %
Existing Structures	\$ _____	\$ _____	\$ _____	_____ %
Other**	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %
REHABILITATION OR CONSTRUCTION COSTS				
Site Work	\$ _____	\$ _____	\$ _____	_____ %
Structures	\$ _____	\$ _____	\$ _____	_____ %
Contractor Overhead	\$ _____	\$ _____	\$ _____	_____ %
Contractor Profit	\$ _____	\$ _____	\$ _____	_____ %
General Requirements	\$ _____	\$ _____	\$ _____	_____ %
Fees	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %
PROFESSIONAL FEES				
Architect	\$ _____	\$ _____	\$ _____	_____ %
Engineer/Surveyor	\$ _____	\$ _____	\$ _____	_____ %
Attorney	\$ _____	\$ _____	\$ _____	_____ %
Accountant	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %
CONSTRUCTION PERIOD COSTS				
Insurance	\$ _____	\$ _____	\$ _____	_____ %
Bond Premium	\$ _____	\$ _____	\$ _____	_____ %
Construction Loan Interest	\$ _____	\$ _____	\$ _____	_____ %
Loan Origination Fee	\$ _____	\$ _____	\$ _____	_____ %
Taxes and Fees	\$ _____	\$ _____	\$ _____	_____ %
Title and Recording	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %

*If land is purchased from a related party, an appraisal is required to substantiate the value used.

**Legal fees and interest expense related to land must be broken out and entered in this category.

	COSTS INDICATED ON APPLICATION	PROJECT'S EXPECTED BASIS	ELIGIBLE 10% TEST EXPENDITURES	EXPENDITURES AS % OF EXPECTED BASIS
PERMANENT FINANCING	\$ _____		\$ _____	
SOFT COSTS				
Market Study	\$ _____	\$ _____	\$ _____	_____ %
Environmental Study	\$ _____	\$ _____	\$ _____	_____ %
Appraisal	\$ _____	\$ _____	\$ _____	_____ %
Tax Credit Fees	\$ _____	\$ _____	\$ _____	_____ %
Cost Certification	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %
SYNDICATION COSTS*	\$ _____		\$ _____	
DEVELOPER FEES**				
Developer Fees	\$ _____	\$ _____	\$ _____	_____ %
Consultant	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %
PROJECT RESERVES	\$ _____		\$ _____	
TOTAL DEVELOPMENT COSTS***	\$ _____	\$ _____	\$ _____	_____ %
FEES PAID TO RELATED ENTITIES***				
(Related Entity)	\$ _____	\$ _____	\$ _____	_____ %
(Related Entity)	\$ _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	\$ _____	_____ %

*All syndication costs must be separated from other project costs and included on this line.

**If any portion of the developer fee is deferred, supporting documentation must be submitted (e.g. promissory note).

*** All fees, including the developer fee, which are paid to the developer or to any entity with an identity of interest with the developer must be clearly identified in the section entitled Fees Paid to Related Entities.

**2016 HOUSING TAX CREDIT
CARRYOVER ALLOCATION AGREEMENT**

Project Number: _____

ALLOCATION OF TAX CREDITS TO THIS PROJECT IS BASED ON THE FOLLOWING:

- Tax Credits from Set-Aside for Projects involving Qualified Non-Profit Organizations
- Points Given for Participation by Qualified Non-Profit Organization
- Special Tenant Population Set-asides [Section 3]
- Additional Low-Income Targeting [Section 2(b)]
- Extended term of Occupancy Restriction [Section 2(c)]

THIS AGREEMENT, dated as of December __, 2016, is by and between _____, a _____, and its successors and assigns (the "Project Owner"), and the New Mexico Mortgage Finance Authority, a body politic and corporate constituting a governmental instrumentality of the State of New Mexico ("MFA"). Capitalized terms, when not defined in the text of this agreement, are defined in the 2016 State of New Mexico Housing Tax Credit Program Qualified Allocation Plan or in the Code.

WITNESSETH:

WHEREAS, the Project Owner is the owner of a _____ (_____) unit rental housing development located at _____ in the City of _____, County of _____, State of New Mexico, more particularly described in Exhibit A hereto, known as _____ (the "Project"); and

WHEREAS, MFA has been designated by the Governor of the State of New Mexico (the "State") as the Housing Credit Agency for the State for the allocation of Low Income Housing Tax Credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the "Code"); and

WHEREAS, the Project Owner has applied to MFA for a Carryover Allocation of Tax Credits to the Project and has made certain representations to MFA in its Application (as the same may have been amended by any progress reports (the "Progress Reports") provided to MFA pursuant to Section 9 hereof and the Carryover Allocation Application; collectively, the "Application"), concerning, among other things, the number of Low-Income Units (as hereinafter defined) and the term of occupancy restrictions; and

WHEREAS, based upon such representations, MFA is willing to make a Carryover Allocation of Tax Credits to the Project provided that the Project Owner, by entering into this Agreement, agrees to comply with the covenants, terms and conditions of this Agreement as a condition precedent to the Final Allocation of Tax Credits by MFA.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Project Owner and MFA agree as follows:

1. Carryover Allocation. Contemporaneously herewith **MFA** has issued a **2016** Housing Tax Credit Carryover Allocation (the "Carryover Allocation") to the

Project Owner in the amount of \$ _____. The Carryover Allocation is subject to all of the terms and conditions set forth in this Agreement and the 2016 State of New Mexico Housing Tax Credit Program Qualified Allocation Plan (QAP).

2. Occupancy Restrictions. The Project Owner covenants and agrees that:

Minimum Federal Set-Aside Election:

(a) For the purpose of Section 42(g)(1) of the Code, the Project Owner elects that at least _____ percent (____%) of the residential rental units in the Project shall be both rent-restricted (as hereinafter defined) and occupied by individuals or families whose income is _____ percent (____%) or less of area median gross income.

Total Set-Aside:

(b) Notwithstanding the election described in subsection (a) above, the Project Owner covenants and agrees that at least _____ (____) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is _____ percent (____%) or less of area median gross income, and at least _____ (____) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is _____ percent (____%) or less of area median gross income. All of the foregoing residential rental units are collectively referred to herein as the "Low-Income Units", and, with respect to all of such Low-Income Units, "area median gross income" shall be determined in accordance with the Code. The Project Owner further agrees that additional units in the Project shall be both rent-restricted and occupied by low-income individuals or families whose incomes meet the requirements of subsection (a) to the extent necessary to maintain the "applicable fraction," as defined in Section 42(c)(1)(B) of the Code, at not less than _____ percent (____%) for each taxable year of the extended use period as defined in Section 42(h)(6)(D) of the Code (the "Extended Use Period"). A unit is "rent-restricted" if the gross rent with respect to such unit does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit [based upon the income limitations set forth in this subsection (a)], all as determined in accordance with Section 42(g) of the Code.

(c) The foregoing occupancy restrictions shall be in effect for each building which is part of the Project for a period of _____ (____) taxable years beginning with the taxable year in which each such building is placed in service or, at the election of the taxpayer, the succeeding taxable year. An Assignment of Building Identification Numbers of each Building in the Project is attached hereto as Exhibit B.

3. Additional Project Owner Agreements. The Project Owner further covenants and agrees that not later than the last day of the first year of the Credit Period, as defined in Section 42(f) of the Code:

(a) At least [txtNoOfTargetUnits] ([nbrunits]) of the residential rental units in the Project shall be constructed, equipped, set aside and made available for occupancy on a priority basis to [Seniors or Families with Children] at all times during the term of this Agreement, and the Project Owner shall provide evidence to MFA of any license, permit or other governmental approval required for such occupancy. Project Owner shall maintain and implement a plan reasonably satisfactory to MFA to provide social services to the residents of the units set aside for [Target Units 1], more particularly described in Exhibit C. Any termination in service contracts will require notification to the MFA. No more than a 30-day gap

in service provision will be allowed or the Project will be considered out of compliance until a new contract is executed.

(b) At least **[txtNoOfTargetUnits] ([nbrunits])** of the residential rental units in the Project shall be constructed, equipped, set aside and made available for occupancy on a priority basis to **Households with Special Needs** as described in Exhibit D.

(c) Project Owner shall maintain a Financial Literacy Plan as described in Exhibit E. Any termination in service contracts will require notification to the MFA. No more than a 30-day gap in service provision will be allowed or the Project will be considered out of compliance until a new contract is executed.

(d) Of the residential units which are to be subject to the restrictions of Section 2 hereof, at least **[txtNbrbedrooms1] ([Nbrbedrooms1]) shall be [bedsize1]-bedroom units** and at least **[txtNbrBedrooms2] ([Nbrbedrooms2]) shall be [bedsize2]-bedroom units**.

4. Representations, Covenants and Warranties of the Project Owner. The Project Owner covenants, represents and warrants as follows:

(a) The Project Owner is duly organized under the laws of the State of _____, and is qualified to transact business under the laws of the State.

(b) The Project Owner and all parties comprising the Project Owner are in compliance with all requirements of Section 42 for all other properties subject to Section 42 owned by any of them.

(c) The Project Owner has good and marketable title to the premises constituting the Project.

(d) Each building which is the subject of **MFA's** Carryover Allocation is, or by **August 31, 2017** will be, a "qualified building" as defined in Section 42(h)(l)(E)(ii) of the Code, and the Project will constitute a "qualified low-income housing project" as defined in Section 42(g) of the Code.

(e) Each building which is the subject of the Carryover Allocation will be placed in service by **December 31, 2018**, and the Project Owner will make timely application to **MFA** for a Final Allocation of Tax Credit so as to permit **MFA** to issue Internal Revenue Service Form 8609 with respect to the Project.

(f) The Eligible Basis of each building has been determined in accordance with Section 42(d) of the Code, and has been reduced by the amount, if any, equal to the portion of the adjusted basis of any building which is attributable to residential rental units in the building which are not Low-Income Units and which are above the average quality standard of the Low-Income Units in such building. In determining the Qualified Basis of any building, the "at risk" rules have been applied to the extent and in the manner required by Section 42(k) of the Code.

(g) If any building which is the subject of the Project Owner's Application is an existing building,

(l) except as stated below, the building was acquired by purchase (as defined in Section 179(d)(2) of the Code). **No exceptions.**

(2) except as stated below, there is a period of at least ten (10) years between the date of the acquisition of the building by the Project Owner and the date the building was last placed in service. **No exceptions.**

(3) except as stated below, the building was not previously placed in service by the Project Owner or any "related person" (as that term is defined in Section 42(d)(2)(D)(ii) of the Code). **No exceptions.**

(4) except as stated below, the Project Owner will pay or incur rehabilitation expenditures with respect to the Building meeting the requirements of Section 42(e) of the Code. **No exceptions.**

(h) If box (1) or (2) on page 1 of this Agreement is checked, the Project is one involving a Qualified Nonprofit Organization as defined in Section 42(h)(5)(C) of the Code which will both own an interest in the Project and "materially participate," as that term is defined in Section 42(h)(5)(B) of the Code, in the development and operation of the Project and will remain a material participant throughout the compliance period.

(i) In connection with its request for **MFA's** Final Allocation of Tax Credits, the Project Owner shall provide such information and give such certifications as **MFA** reasonably shall determine necessary to evidence compliance with Section 42 of the Code and this Agreement and to permit **MFA** to make the determination described in Section 6 hereof.

5. Land Use Restriction Agreement. In connection with the Final Allocation of Tax Credits to the Project by **MFA**, the Project Owner shall execute and deliver a Land Use Restriction Agreement which shall incorporate the covenants and agreements of the Project Owner set forth in Sections 2 and 3 hereof, provisions for regulation and enforcement by **MFA**, and such additional provisions as may be necessary to assure compliance with Section 42 of the Code or to give effect to requirements of **MFA**.

6. Determination of Housing Credit Dollar Amount. The Project Owner acknowledges that the maximum Tax Credit dollar amount for which MFA has made its Carryover Allocation is based upon estimates provided by the Project Owner of Project costs, Eligible Basis, and the number and unit composition of the qualified low-income buildings to be included in the Project. The Project Owner acknowledges and agrees that said Tax Credit dollar amount may be reduced based upon MFA's final determination of the Eligible Basis of each building as to which a Final Allocation of Tax Credits is requested, or as a result of MFA's final determination pursuant to Section 42(m)(2) of the Code, and that the amount of any such reduction shall be deemed to be "Returned Credit" to MFA pursuant to Section 42(h)(3)(C) of the Code. In addition, the Project Owner acknowledges and agrees that costs in excess of any limits contained in the QAP, including cost limits related to Project Selection Criteria, may be excluded from the Project's Qualified Basis when calculating maximum Tax Credit dollar amount.

7. Applicable Credit Percentage.

The Applicable Percentage for occupied existing buildings which have Placed in Service shall be for the month during which the Project Owner acquired ownership of the property as listed below.

MONTH: _____ APPLICABLE PERCENTAGE: _____%

If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(1)(A)(ii)(I) of the Code, to fix the Applicable Percentage(s) for each

building in the Project as the percentage(s) prescribed by the Secretary of the Treasury for the month of this Carryover Allocation Agreement. MFA and the Owner acknowledge that this Carryover Allocation Agreement constitutes an agreement binding upon MFA, the Owner, and all successors in interest to the Owner as owners of the Project, as to the allocation of 2015 tax credits to the building(s) in the Project, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of MFA.

MONTH: _____ APPLICABLE PERCENTAGE: _____%

- If this box is checked, the Owner has made no election pursuant to Section 42(b)(2)(A)(ii)(I) of the Code, and accordingly, the Applicable Percentage for a building shall be that for the month in which the particular building is placed in service.

8. Gross Rent Floor. Section 42(g)(2)(A) of the Code provides that a Low-Income Unit is "rent-restricted" if the gross rent for such unit does not exceed 30% of the imputed income limitation applicable to the unit. Under Revenue Procedure 94-57, the effective date of the income limitation used to establish the gross rent floor for purposes of Section 42(g)(2)(A) is the date MFA initially allocates a Tax Credit dollar amount to the Project (that is, the date of the Carryover Allocation) unless the owner designates a building's placed-in-service date as the effective date for the gross rent floor.

- If this box is checked, the Owner designates the placed-in-service date of each building in the Project as the effective date for establishing the gross rent floor for the Low-Income Units in such building(s).
- If this box is checked, the effective date for establishing the gross rent floor for any Low-Income Unit in the Project is the date of MFA's Carryover Allocation.

9. Progress Reports. The Project Owner acknowledges MFA's public interest in assuring the full utilization of the State's housing credit ceiling as defined in Section 42(h)(3)(C) of the Code, including the timely allocation of Returned Credits pursuant to Section 42(h)(3)(C)(iii) of the Code. Accordingly, the Project Owner acknowledges and agrees that timely progress toward completion of the Project so as to permit its Placement in Service by **December 31, 2018** is a continuing condition of the Carryover Allocation. To this end, the Owner agrees to complete all "Subsequent Project Requirements" and deliver evidence to MFA accordingly, as described in Part IV.G. of the Year **2016** Qualified Allocation Plan. In addition, Project Owner will submit periodic written progress reports at the times and in the forms required by MFA evidencing timely progress toward completion.

10. Construction Document Submittal. A complete set of construction documents (construction contract including complete plans and specifications) are due to MFA no later than June 30, 2016. The Project Owner acknowledges that construction activity may not start on the Project prior to the receipt of written approval of the construction documents from MFA.

11. Conditions; Cancellation of Carryover Allocation. The Project Owner acknowledges that all the terms, conditions, obligations and deadlines set forth herein constitute both continuing conditions of the Carryover Allocation and conditions precedent to a Final Allocation of Tax Credits by MFA, and that the Project Owner's or the Project's failure to comply with all such terms and conditions, including the requirements of Section 9 hereof, will entitle MFA, in its discretion, to deem the Carryover Allocation to be canceled. After any such cancellation, the Tax Credits allocated by the Carryover Allocation shall be deemed to be returned to MFA pursuant to Section 42(h)(3)(C) of the Code and Treasury Regulation §1.42-14(d), and the Owner acknowledges that neither it nor the Project will have any right to claim

Tax Credits pursuant to the Carryover Allocation. MFA reserves the right, in its discretion, to modify and/or waive any such failure.

12. Final Allocation. Upon notification by the Project Owner that the building has been Placed in Service, and compliance by the Project Owner with the requirements of MFA for a Final Allocation of Tax Credits, MFA will issue an IRS Form 8609 to such building to the extent required by, and in accordance with, applicable Federal law then governing allocation of Tax Credits under Section 42 of the Code. The total dollar amount of **2016** Tax Credits reflected on such Form 8609 will not exceed the Tax Credit dollar amount allocated to the Project as set forth in the Carryover Allocation.

13. No Reliance. In issuing the Carryover Allocation, MFA has relied upon information provided and representations made by the Project Owner or the Project Owner's designee, and the Carryover Allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by MFA as to the qualification of the Project for the Tax Credits, or the feasibility or viability of the Project, and may not be relied on as such by any owner, developer, investor, tenant, lender, or other person, for any reason. In addition, MFA's acceptance of the certifications and representations required in connection with Project Owner's request for the Carryover Allocation does not constitute a representation as to the satisfaction of the requirements under Section 42(h)(1)(E) as binding on the part of the Internal Revenue Service.

14. 10 Percent Test. In addition to all other terms and conditions of the Carryover Allocation, if, by the date of this Carryover Allocation Agreement, the Project Owner's basis in the Project is not more than ten percent (10%) of the reasonably expected basis in such Project, the Carryover Allocation is further subject to the Project Owner's demonstration to MFA, in a manner satisfactory to MFA, that more than ten percent (10%) of the reasonably expected basis in such Project has been achieved not later than **August 31, 2017**. Project Owner acknowledges that MFA's determination as to satisfaction of the 10 Percent Test is not binding upon the Internal Revenue Service and does not constitute a representation by MFA to the Project Owner or any other party to that effect.

15. Construction Start. No later than **August 31, 2017**, the Project Owner must deliver evidence acceptable to MFA that construction of the Project has begun. This will include, at a minimum, building permits and site photographs.

16. Release and Indemnification. The Project Owner acknowledges that, in issuing the Carryover Allocation, MFA relied upon information and representations given by or on behalf of the Project Owner and has made no independent investigation and does not have independent knowledge of the basis for such information and representations. Accordingly, to induce MFA to issue the Carryover Allocation, the Project Owner agrees as follows:

(a) The Project Owner hereby agrees to release and forever discharge MFA, its members, employees, agents, officers, successors and assigns of and from any and all claims, demands, causes of actions, judgments and executions which any of the Project Owners has or may hereafter have against MFA or any such other persons, whether in law or in equity, arising or resulting from, or on account of or pertaining to, whether directly or indirectly, MFA's issuance of the Carryover Allocation.

(b) The Project Owner hereby agrees to indemnify, hold harmless and defend MFA, and its members, officers, agents, employees, successors and assigns from any obligation, claim, loss, demand, cost, expense (including the costs of the investigation and settlement of any claim, and including reasonable attorney's fees) or judgment against MFA arising or resulting from, or on account of or pertaining to, whether directly or indirectly, MFA's

issuance of the Carryover Allocation. If any such claim is asserted, any indemnified party hereunder will give prompt notice to the Project Owner and will cooperate in the investigation and defense of any such claim. The Project Owner will assume the defense of any such asserted claim by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld), it being understood that the indemnified party shall have the right to employ its own separate counsel and participate in such proceedings at its own cost and expense.

(c) If the indemnification provided in subsection (b) is, for any reason, either unavailable to MFA or any of the other persons intended to be indemnified thereby or insufficient to hold it or any of them harmless, then the Project Owner hereby agrees to contribute to all amounts paid or payable by MFA and such other persons as a result of any such obligation, claim, loss, demand, cost, expense, or judgment. The amount to be contributed by the Project Owner shall be the amount that is appropriate to reflect both the relative benefits received by the Project Owner, on the one hand, and by MFA and such other persons, on the other hand, and the relative degrees of fault of the Project Owner, on the one hand, and of MFA and such other persons, on the other hand.

17. Miscellaneous.

(a) The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

(b) All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To MFA: New Mexico Mortgage Finance Authority
344 4th Street SW
Albuquerque, New Mexico 87102
Attention: Housing Tax Credit Program

To the Project Owner: owner address and contact information]

Attention: _____

MFA and the Project Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) This Agreement shall be governed by the laws of the State of New Mexico and, where applicable, the laws of the United States of America.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

[PROJECT OWNER]

[SEAL]

By: _____

Its: _____

STATE OF _____, CITY OF _____)
_____, COUNTY OF _____) ss.
_____)

This instrument acknowledged before me this _____ day of _____, 2016,

by _____ as _____

of _____.

My Commission expires: _____.

Notary Public

NEW MEXICO MORTGAGE FINANCE AUTHORITY

[SEAL]

By: _____

STATE OF NEW MEXICO, CITY OF _____)
ALBUQUERQUE, COUNTY OF BERNALILLO) ss.
_____)

This instrument acknowledged before me this _____ day of _____, 2016,

by _____ as _____

of _____.

My Commission expires: _____.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

SAMPLE

2016
Assignment of Building Identification Numbers
of Each Building in the Project

COLUMN A Building Address Street Address, City, State, Zip (or Description of Building Location)	COLUMN B Projected Placed-in-Service Date	COLUMN C BIN Number (reflecting the year the allocation is made)
1. _____	_____	NM - _____
2. _____	_____	NM - _____
3. _____	_____	NM - _____
4. _____	_____	NM - _____
5. _____	_____	NM - _____
6. _____	_____	NM - _____
7. _____	_____	NM - _____
8. _____	_____	NM - _____
9. _____	_____	NM - _____
10. _____	_____	NM - _____

SAMPLE

EXHIBIT C
Set Aside Commitment for Families with Children

Social Service Plan Component	Requirement	Detail
Set-aside requirement met, and design elements and social service plan meet all requirements		
Experienced service coordinator on site		
Providing health care service on-site or linked with a local health care provider		
Providing childcare services on site or linked to outside centers		
Transportation services		
Credit and financial counseling/education		
Job training, search assistance and/or placement		
Computer literacy training		
Other		

SAMPLE

EXHIBIT C
Set Aside Commitment for Seniors

Social Service Plan Component	Requirement	Detail
Set-aside requirement		
Community building and all units incorporate Universal Design		
Providing health care service on-site or linked with a local health care provider		
Transportation services		
Experienced service coordinator on site		
Providing one prepared meal on a daily basis available to all tenants		
Homemaking services		
Other		

SAMPLE

EXHIBIT D

Set Aside Commitment for Special Needs Households

At least **[txtNoOfTargetUnits] ([nbrunits])** of the residential rental units in the Project shall be constructed, equipped, set-aside and made available for occupancy on a priority basis to Special Needs Households. Set-aside units shall not be rented to other households unless the unit has been marketed for 30 days and no qualified Special Needs Households have been referred by the Local Lead Agency. The Local Lead Agency shall be responsible for coordinating services, and the Owner shall accept shall accept the "Special Needs Housing Set-Aside Agreement" offered by the Local Lead Agency, for the duration of this Land Use Restriction Agreement.

SAMPLE

EXHIBIT D

Financial Literacy Program

Financial Literacy Program Component	Requirement	Detail
Provider		
Financial Literacy Program		<p>The commitment to provide quarterly financial literacy training must be evidenced by a certification from the Project Owner. The contract must indicate or specify: 1) a description of the service to be provided including frequency, 2) that services will be provided on-site, and 3) any estimated fee for services provided. Project Owners must provide executed contracts with qualified service providers when the Project is Placed in Service. Contracts with service providers must include: 1) a description of the service to be provided including frequency, 2) indicate that services will be provided on-site, and 3) specify any fee for services provided.</p>

SAMPLE

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
HOUSING TAX CREDIT
2016 CARRYOVER ALLOCATION**

The New Mexico Mortgage Finance Authority ("MFA") hereby issues you a Carryover Allocation of Tax Credits in an amount not to exceed the amount stated below, subject to the terms and conditions stated herein and in the Housing Tax Credit Carryover Allocation Agreement (the "Agreement") entered into between the Project Owner and the Authority contemporaneously with the issuance of this Carryover Allocation. This Carryover Allocation is made pursuant to Section 42(h)(1)(E) and, if applicable, Section 42(h)(1)(F), of the Internal Revenue Code of 1986, as amended (the "Code").

_____ (the "Project Owner") has represented and certified that each building in the Project for which this allocation is made is a qualified building as defined in Section 42(h)(1)(E)(ii) of the Code (that is, the building is part of a Project in which the Project Owner's basis as of **August 31, 2017** will be more than ten percent (10%) of said Project Owner's reasonably expected basis in the Project as of **December 31, 2018** and that each building will be Placed in Service by the date shown on Assignment of Building ID# Form, but in no event later than **December 31, 2018**. More particularly, the Project Owner has represented and certified that as of **December 31, 2016**, the reasonably expected basis in the project as of **December 31, 2018** will be \$ _____. The Project Owner acknowledges that a certification prepared and signed by an independent public accountant stating that the owner has incurred costs exceeding ten percent of the reasonably expected basis will be submitted to MFA no later than **August 31, 2017**. By this same date the Project Owner will submit to MFA an attorney's opinion regarding the eligibility of the Project for Tax Credits under Section 42 of the Internal Revenue Code.

MFA, as the Housing Credit Agency for the State of New Mexico, hereby allocates \$ _____ as the maximum amount of Tax Credits to the Project Owner and building or Project described below. This allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and, if this is a project-based allocation, of Section 42(h)(1)(F) of the Code. This allocation is further expressly conditioned upon the terms and conditions set forth herein and in the Agreement. The Building Identification Number to be assigned to each building in the Project is set forth in the Assignment of Building Identification Numbers Form attached hereto.

Owner Name: _____
Federal Tax ID _____
Owner Address: _____

Project Name: _____
Project Number: _____
Project Address: _____

Building Type: _____

NEW MEXICO MORTGAGE FINANCE AUTHORITY

344 4th Street SW
Albuquerque, New Mexico 87102

Taxpayer ID Number: _____

By: _____

Title: _____ Date: _____