



## **DRAFT SUBSTANTIAL AMENDMENT**

**to the State of New Mexico's**

**2017 Annual Action Plan**

New Mexico Mortgage Finance Authority  
344 4<sup>th</sup> Street SW  
Albuquerque, New Mexico 87102



**DRAFT SUBSTANTIAL AMENDMENT  
to the New Mexico 2017 Annual Action Plan**

**Purpose**

The purpose of this draft Substantial Amendment to the New Mexico 2017 Annual Action Plan (AAP) is to request approval of updated median sales price limits for the counties of Bernalillo, Doña Ana, Los Alamos, Sandoval, Santa Fe, San Miguel and Taos. The FY 2017 New Mexico Annual Action Plan was approved by HUD in October, 2017.

**Background**

MFA is requesting approval of updated median sales price limits for seven counties – Bernalillo, Doña Ana, Los Alamos, Sandoval, Santa Fe, San Miguel and Taos. These sales price limits apply to mortgages or homebuyer assistance that utilize funding from HUD’s HOME Investment Partnerships Program (HOME) and the after-rehab value of homes rehabilitated with HOME funding.

**Discussion**

In accordance with HUD requirements, MFA must publish the Substantial Amendment with the draft amended 2017 AAP for public comment over a 30-day period to begin on December 6, 2017 and end on January 4, 2018. In addition, MFA will conduct two public hearings for the Plan, at the dates and times indicated below. Notice of the meetings will be published on December 5-7, 2017 (depending on date of newspaper publication), in English and Spanish, in newspapers in Albuquerque, Clovis, Farmington, Las Cruces, Las Vegas, Roswell, Santa Fe and Taos.

December 19, 2017, 10:00 am  
New Mexico Mortgage Finance Authority  
Board Room  
344 4th Street SW  
Albuquerque, NM 87102

December 21, 2017, 5:30 pm  
New Mexico Mortgage Finance Authority  
Board Room  
344 4th Street SW  
Albuquerque, NM 87102

Following the public comment period, staff will make any necessary revisions to the amended 2017 AAP and will present it to the MFA Board of Directors for approval on January 24, 2018. If approved, staff will submit it to HUD on January 25, 2018.

Upon submission, HUD’s 45-day review process will begin. The amended 2017 AAP will be deemed approved 45 days after HUD receives the Plan, unless HUD notifies MFA that the plan is disapproved before expiration of the review period.

**Revised Consolidated Plan Screens**

The following screens in the eCon Planning Suite Consolidated Plan in IDIS were revised to include the request for approval of the HOME median sales price limits. New material is underlined.

**Revised Action Plan Screens**

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## AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:  
HOME funding is not being used for any form of investment other than those identified in Section 92.205.
2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:  
MFA's recapture and affordability guidelines are included in Appendix B and are compliant with the HOME requirements.
3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:  
MFA's recapture and affordability guidelines are included in Appendix B and are compliant with the HOME requirements.
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

#### **(91.320(k)(2)(iii)(A)-(F))**

(A) and (C): MFA may, at its discretion, use HOME funds for refinancing only when needed in order to permit or continue affordability of rental units when rehabilitation is the primary activity.

(B): MFA's underwriting standards for an initial investment of HOME funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with market and review of total development costs and sources available to meet these needs.

(D): The required period of affordability will be consistent with the HOME regulations based on the activity and the HOME per unit subsidy.

(E): This would be available jurisdiction wide.

(F): HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG. Any unpaid balance of these loans is due in full during the period of affordability or upon the sale or transfer to an ineligible party.

#### **24 CFR 92.254(a)(2)(iii)**

MFA does not currently use HOME funds for homebuyer assistance. In this amendment, MFA is presenting new limits for 95 percent of the median area purchase price for the counties of Bernalillo, Doña Ana, Los Alamos, Sandoval, Santa Fe, San Miguel and Taos. The new purchase price limits are based upon single family home sales data which supports the proposed new limits. Those limits are attached as Part G HOME 2017 Sales Price Limits – Proposed which also contains all backup data for those limits.

MFA intends to use HOME funds for rehabilitation of owner-occupied single family housing. MFA uses the HUD 2017 Homeownership Value Limits effective March 1, 2017 in our rehabilitation program. If the new purchase price limits requested above are approved, MFA will use the new limits in those counties.

MFA uses a minimum level of rehabilitation per unit, which for 2017 projects would be rehabilitation costs of \$6,000 per unit, in line with the 2017 QAP.

**HOME 2017 Sales Price Limits - Proposed**

County Name	Current HUD Limits		Proposed Limits for Existing Homes		Proposed Limits for New Homes	
	1-Unit Existing	1-Unit New	Median Sales Price	95% of Median	Median Sales Price	95% of Median
Bernalillo County	\$165,000	\$224,000	\$203,000	\$192,850	\$267,520	\$254,144
Doña Ana County	\$152,000	\$224,000	\$170,000	\$161,500	no change proposed	
Los Alamos County	\$238,000	\$238,000	\$287,000	\$272,650	\$346,785	\$329,446
Sandoval County	\$162,000	\$224,000	\$195,000	\$185,250	\$293,000	\$278,350
Santa Fe County	\$232,000	\$232,000	\$339,500	\$322,525	\$399,900	\$379,905
San Miguel County	\$143,000	\$224,000	\$200,000	\$190,000	no change proposed	
Taos County	\$256,000	\$256,000	\$325,000	\$308,750	no change proposed	