

City of Albuquerque Metropolitan Redevelopment Agency



Greater Downtown Housing RFEI #01-2022

Formal Inquiry #1

Received: January 9, 2023

Posted: January 18, 2023

Question received:

We have a site that we own, but it is not currently zoned for multi-family. We plan to move forward with a zone change prior to development, but post-awarding. To be considered for gap financing, does the site need to already be zoned for multi-family or can the zone change occur post-awarding?

Metropolitan Redevelopment Agency Response:

Projects are not required to have entitlements completed at the time of the proposal. However, any time constraining conditions (such as zone changes or variance requests) must be referenced in the Project Schedule. Per Section D(e), lengthy Project Schedules may receive lower scores. Therefore, zoning constraints may impact the score in that category due to the associated risk and longer timeline.

Proposers will need to demonstrate the capacity and experience to deliver on projects in a timely and achievable schedule, considering all foreseeable obstacles.

Formal Inquiry #2

Received: January 10, 2023

Posted: January 18, 2023

Question received:

The evaluation criterion in Section D(d)(iii) of the RFEI offers points for projects that include naturally affordable housing that have "pro-forma rents where at least 80% of the units are affordable to households at or below 80% AMI." The evaluation criterion then goes on to state "the maximum rent schedule for naturally affordable housing (not including utilities) by unit type is: a) Studio: \$900; b) 1 Bedroom: \$1,000; c) 2 Bedroom: \$1,200; d) 3 Bedroom: \$1,300; e) 4 Bedroom: \$1,500."

The rents listed in this evaluation criterion are well below rents that are affordable to households at or below 80% AMI. The Low Income Housing Tax Credit (LIHTC) program is the main driver of affordable housing both in New Mexico and across the nation, and the Internal Revenue Service (IRS) monitors incomes and rents in all counties and sets rents that are affordable every year. The rents set by the IRS for the LIHTC program are generally accepted in the housing industry as affordable. The 80% AMI rent limits for 2022 set by the IRS for the LIHTC program in Bernalillo County are as follows: a) Efficiency: \$1,058; b) 1 Bedroom: \$1,133; c) 2 Bedroom: \$1,360; d) 3 Bedroom: \$1,571; e) 4 Bedroom: \$1,752; f) 5 Bedroom: \$1,934. The 2023 rents have yet to be published.

Would the MRA consider allowing LIHTC 80% rents to qualify for the points for naturally affordable housing as we believe these rents meet the true intent of this RFEI?

Metropolitan Redevelopment Agency Response:

The Metropolitan Redevelopment Agency utilized an independent mechanism for determining its naturally affordable housing rent schedule. MRA considers “naturally affordable housing” to be different from “affordable housing” as defined by other government programs, such as HUD’s Section 8 or New Mexico Mortgage Finance Authority’s Low Income Housing Tax Credit.

MRA acknowledges that Proposers may seek other funding or tax break mechanisms for their projects and clarifies the following for projects seeking to earn RFEI Evaluation Criteria points for naturally affordable housing:

For Proposals **not** seeking LIHTC funding, MRA will **not** change the rent schedule to align with the 2022 NMMFA LIHTC rent schedule. These types of projects must follow MRA’s Naturally Affordable Rent Schedule.

For projects applying for a LIHTC under a 20/50 Election or a 40/60 Election, MRA will **not** change the rent schedule to align with the 2022 NMMFA LIHTC rent schedule. These types of projects must follow MRA’s Naturally Affordable Rent Schedule.

For projects applying for LIHTC funding under an Average Income Election, MRA will permit the RFEI Proposals to seek points under Naturally Affordable Housing category following the 2022 NMMFA LIHTC rent schedule. If the Project has already applied for a NMMFA LIHTC award, Proposers must provide documentation that they have submitted a LIHTC application under an Average Income Election when submitting a Proposal in response to the RFEI. This proof of application will not count towards the page limit. If the Proposer has not yet applied for LIHTC prior to submitting a Proposal to this RFEI but plans to submit to NMMFA for a LIHTC award and intends to submit for an Average Income Election, such an application will be a contingency of an MRA funding award.

This question also alerted MRA staff to a typo error in the RFEI. The MRA Naturally Affordable Housing rent schedules should be as follows:



- Studio: \$900
- 1 Bedroom: \$1,000
- 2 Bedroom: \$1,200
- 3 Bedroom: \$1,300
- 4 Bedroom: ~~\$1,500~~ [\\$1,400](#)

MRA will post an amendment to the RFEI reflecting these changes.