

**New Mexico Mortgage Finance Authority
Request for Proposals
To Purchase and Maintain Affordable Housing Properties**

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority (“MFA”) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1, et seq. (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals for the purchase of an affordable rental property, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified person(s) or entity (“Offerors”) which by reason of their financial stability and affordable housing experience are able to own and operate affordable housing properties.

The affordable rental property, Clayton Rental Property, MFA loan #HM026 was part of the now defunct (on or around February, 2014) Eastern Plains Housing Development Corporation. MFA, due to its loan interest and interest to preserve affordable housing, acted to ensure property operations were maintained. MFA acted through the courts in Union County on February 7, 2018; final Default Judgment for Appointment of Receiver, Foreclosure, and for Alternative Sale Process (attached) was awarded. The Clayton Rental Property has been secured and, therefore, MFA is issuing this Affordable Housing Properties RFP.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <http://www.housingnm.org/rfp>. The FAQ will open the day after the RFP issues and will close on June 12, 2018.

- Under “Current RFP’s,” select “Affordable Housing Properties RFP.” Choose the “Affordable Housing Properties FAQs” link.
- To submit your questions, scroll down to the “Ask a question” section; enter your name, email address, and type your question in the “Question” box. To submit the question, type in the two (2) words found in the CAPTCHA box and click “Send my question”.

All questions will be reviewed on a daily basis and MFA will make every attempt to answer questions within two business days.

Proposal Submission

The original and three copies of a proposal must be received by MFA at our office located at 344 Fourth Street SW, Albuquerque, NM 87102 no later than Friday, June 15, 2018, at 4:00 p.m., MDT. Proposals shall be in sealed envelopes marked “Response to Affordable Housing Properties RFP.”

Incomplete proposals shall not be considered.

Discussion may be conducted with Offeror(s) to provide clarification, but proposals may be selected or rejected without such discussions.

Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until final transfer of properties to selected purchaser(s), for 120 calendar days from the proposal due date, with the option to extend this date if agreed upon by both parties.

RFP Revisions and Supplements

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be provided on the MFA website.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

Cancellation of Requests for Proposals or Rejection of Proposals

MFA may cancel this RFP at any time for any reason and may reject all proposals (or any proposal) which are/is not responsive.

Evaluation of Proposals

Proposals will be evaluated by an Internal Review Committee (IRC) of MFA staff, using the criteria listed in Part II Minimum Qualifications and Requirements and Part III Evaluation Factors herein. MFA may provide Offerors whose proposals are reasonably likely, in MFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. Proposals shall be evaluated on the criteria listed in Part IV Evaluation Criteria, herein.

Notice of Selection

The IRC will request approval of the selected Offeror from the MFA Board of Directors on or about July 18, 2018. The Board of Directors shall select the Offeror whose proposal meets MFA's requirements and the requirements of the Final Default Judgment for Appointment of Receiver, Foreclosure, and for Alternative Sale Process documents. Once the final selection has been approved, MFA shall provide written notice, within 10 days, to all persons or entities who have submitted a proposal of the Offeror awarded approval.

Negotiation of Final Purchase Agreement

The selection shall be contingent upon successful negotiations of a final purchase agreement entered into between the selected purchaser(s) and the Receiver for the properties. If a final negotiation cannot occur with the selected Offeror, MFA will then enter into negotiations with other Offeror(s). The final selection will be

referred to the Contracted Services Committee of the MFA Board of Directors for recommendation, with proposed approval to be determined by the full Board of Directors. A final approval of Offeror(s) shall be determined by judicial order from local courts in Union County.

Proposal Confidentiality

- I. Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or at the bequest of the Board of Directors for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or MFA staff during any portion of the RFP review process, including any period immediately following release of the RFP.

Until the award is made and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors.

Irregularities in Proposals

MFA may waive technical irregularities in the proposal of any Offeror selected for award which do not alter the purpose of the RFP. The date and time of proposal submission as indicated herein under Part I (Background and General Information, Proposal Submission) cannot be waived under any circumstance.

Responsibility of Offerors

A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry is grounds for a determination that the Offeror is not a Responsible Offeror; therefore the Offeror shall be disqualified from receiving the award and a determination shall be prepared explaining the cause for disqualification..

Part II: Minimum Qualifications and Requirements

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

1. Must be in good standing with MFA. Debarment from future business, current or recent (last three years) non-compliance issues with servicing, housing development, and asset management departments shall be considered a disqualifying factor.
2. Must have experience as an owner, operator of affordable properties to include, but not limited to, physical condition, compliance with applicable housing regulations and written agreements, loan requirements and adherence to New Mexico Uniform Owners/Resident Relations Act and the Federal and State Fair Housing Equal Opportunity Laws. An inventory of your property portfolio must be

provided to include a description of types of housing, units, special preferences such as elderly, disabled, family, and persons with special needs.

3. Must have the ability to comply with the period of affordability restriction applicable to the property (based on the existing property loan balance of \$200,000, which will be forgiven upon expiration of the affordability period, July 10, 2042). Offerors must be capable of paying MFA an estimated amount of \$10,000 for other debt incurred associated with the loans, such as attorney and contractor fees
4. Must provide a “plan of action” that will restore the homes to Uniform Physical Condition Standards (UPCS); including a reasonable timeframe in which the homes will be occupied with qualified households

Part III: Evaluation Factors

Offerors may respond to this RFP to own and operate affordable housing properties. There are three key evaluation factors: (1) owner and management experience, (2) commitment to preserve affordable housing and (3) financial ability to meet compliance criteria including UPCS.

Part IV: Evaluation Criteria

MFA shall select the Offeror whose proposal most clearly demonstrates the ability to own and manage affordable properties. Proposals shall be evaluated primarily on financial stability of persons or entities and on experience. Proposals shall be scored from zero to 100 points based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Criteria	Point Range	Maximum Points
Complete submission of all requirements under Part III, Owner and Management Experience and Commitment to Preserve Affordable Housing	0-15	15
1. inventory of property portfolio	0-10	10
2. organizational chart and staff bios	0-15	15
3. listing of staff credentials	0-10	10
4. fair housing and equal opportunity training	0-25	25
5. copies of monitoring reports		
Complete submission of all requirements under Part III, Commitment to Preserve Affordable Housing and Financial Ability		
1. letter of commitment	0-10	10
2. financial and compliance plan to restore homes to UPCS and adhere to the LURA criteria	0-15	15
Maximum Points		100

Part V: Proposal Format and Instructions to Offeror

Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:

1. Letter of Transmittal
 - A. Include the following information:
 - i. Name, address and telephone number of Offeror and name of contact person
 - ii. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror
 - iii. Date of proposal
 - iv. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP
 - v. A statement that the Offeror's proposal is valid until final transfer of properties to selected purchaser(s), for 120 calendar days from the proposal due date, with the option to extend this date if agreed upon by both parties
2. All Offeror's must provide audited financial statements and associated management letters for the most recent fiscal year and two previous years. Non-profit and for profit entities that receive federal or state funding from MFA must provide an annual independent financial audit or audited financial statements from a certified auditor of their choice. An independent CPA's auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditors report on the following: 1) financial statements; and 2) Internal Control over financial reporting and compliance. The Audit will also include the auditor's management letter if there is one, and the Offeror's response to any audit findings. Any repeat and unresolved audit findings, as determined by MFA, may result in disqualification
3. If the Offeror is a non-profit then the Offeror must submit proof of 501(c)(3) status. Provide proof of current registration as a charitable organization with the New Mexico Attorney General's Office, covering the most recent fiscal year, but no later than 2017-2018. Information can be submitted online and verification obtained via <https://secure.nmag.gov/coros/>. Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
4. If the Offeror has a Board of Directors, the Offeror must submit bylaws or board resolution requiring board fiscal oversight that demonstrates financial integrity. Additionally, provide a listing of your current Board Members to include: 1) Name, 2) Home Address, 3) Employer, 4) Position on the Board, 5) Area of Expertise/Qualification, 6) Years on the Board, and 7) Term Expiration Date. The Offeror must submit policies and procedures approved by its Board of Directors to demonstrate checks and balances, sound organization system of checks and balances (segregation of duties) in fiscal management. Policy describes separate roles and responsibilities for cash receipts, check requests, check cutting/preparation

and check signing. Attach a board approved policy and procedure on the organization's system of checks and balances for fiscal management.

5. Offerors must provide at a minimum the following documents to support evaluation of these criteria:
 - A. Property Ownership and Management Experience
 - i. inventory of your property portfolio to include a description of type of housing, units, special preferences such as elderly, disabled, family and/or persons with special needs
 - ii. organizational chart to include names of employees and job titles and bios for key staff members to include executive, management and supervisory staff members
 - iii. listing of staff credentials, professional certifications related to affordable housing industry, memberships; staff will need to include those members indicated in the organizational chart above and all property site employees
 - iv. documentation of fair housing and equal opportunity training for attendance in the past twelve months
 - v. operational plan for the company or corporation to include identification of roles and responsibilities along the chain of command from management and supervisor to property site staff members
 - vi. copies of monitoring reports for all properties in the Offerors portfolio, located in New Mexico, from all applicable federal and state housing agencies to include the most recent report received
 - vii. copy of Qualified Broker license to conduct business in New Mexico; license must be current; this is only provided if applicable to the Offerors business model (required and not scored)
 - B. Commitment to Preserve Affordable Housing
 - i. letter of commitment which indicates the Offeror is willing to comply with the current affordability period within the existing Land Use Restriction Agreements
 - ii. provide a financial and compliance plan that indicates Offeror has the means and ability to restore homes to Uniform Physical Condition Standards and comply with the LURA criteria
6. A statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
7. The location of Offeror's main office and the locations of any of Offeror's branch offices.
8. MFA requires that Offeror be an Equal Opportunity Employer. Please state that Offeror complies fully with all government regulations regarding nondiscriminatory employment practices.

9. Offeror shall provide MFA with written certification that Offeror is eligible to participate in any and all federal or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party on the System for Award Management's list of excluded parties accessed at www.sam.gov.
10. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to own and operate affordable housing properties in New Mexico.

RFP Attachments

1. Property Description and Physical Condition Report with photos
2. Regulatory Documents: Land Use Restriction Agreement