

DRAFT SUBSTANTIAL AMENDMENT to the New Mexico 2020-2024 Consolidated Plan and 2020 Annual Action Plan

Summary

The 2020-2024 Consolidated Plan and 2020 Annual Action Plan are being amended to incorporate an additional Community Development Block Grant (CDBG) activity for goal 2B – Increase Homeownership Opportunities, which will be continuously funded by MFA’s current Neighborhood Stabilization Program (NSP) – Program Income. The 2020 Annual Action Plan is the first annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development. The Consolidated Plan is a five-year strategic plan that governs the administration of federal funding appropriated for housing and community development activities that benefit low- and moderate-income persons throughout the State of New Mexico. Such federal funding includes the following programs: CDBG, HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF).

The New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the DRAFT Amended State of New Mexico 2020-2024 Consolidated Plan and 2020 Annual Action Plan. The thirty-day public comment period will begin on September 25, 2020 and end on October 24, 2020, and a virtual public hearing on the draft will be held on October 15, 2020.

Amended Plan Sections

The 2020-2024 Consolidated Plan and 2020 Annual Action Plan are proposed to be amended in the following sections:

- SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c) (1,2)
- SP-45 Goals Summary – 91.315(a)(4)
- AP-15 Expected Resources – 91.320(c) (1,2)
- AP-20 Annual Goals and Objectives – 91.320(c) (3) &(e)
- AP-25 Allocation Priorities – 91.320(d)
- AP-30 Methods of Distribution – 91.320(d)&(k)

Within these sections, the amendments are indicated by **red** font color.

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c) (1,2)

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention [Pending Separate 5-Day Public Comment Period]	11,577,987	583,799 250,000	400,000	12,561,786 12,227,987	47,531,683 47,229,545	The State will set side 10% of its CDBG allocation for Colonias. State CDBG funds are not used on state tribal reservations. The State anticipates receiving approval from HUD to transfer program income received from the Neighborhood Stabilization Program to the CDBG Program. In Year 1, this is projected to be \$583,799 \$250,000, and in Years 2-5, this is projected to be \$1,219,735 \$917,597. Of the final amount approved, the State will use 3% for program administrative and technical assistance costs.

Table 18 - Anticipated Resources

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	2B. Increase Homeownership Opportunities	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$1,435,135 CDBG: \$1,167,597	Homeowner Housing Added: 8 -16 Household Housing Units Direct Financial Assistance to Homebuyers: 5 8 Households Assisted

Table 51 – Goals Summary

Goal Descriptions

3	Goal Name	2B. Increase Homeownership Opportunities
	Goal Description	In New Mexico, many people wish to have the financial capability to be homeowners, and there remains a need to provide affordable new construction and acquisition and rehab for single-family homeownership, homebuyer financial assistance and homebuyer education.

Action Plan

AP-15 Expected Resources – 91.320(c) (1,2)

Anticipated Resources

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention [Pending Separate 5-Day Public Comment Period]	11,577,987	583,799 250,000	400,000	12,561,786 12,227,987	47,531,683 47,229,545	<p>The State will set aside 10% of its CDBG allocation for Colonias. CDBG funds are not used on tribal reservations.</p> <p>The State anticipates receiving approval from HUD to transfer program income received from the Neighborhood Stabilization Program to the CDBG Program. In Year 1, this is projected to be \$583,799 \$250,000. Of the final amount approved, the State will use 3% for program administrative and technical assistance costs.</p>

Table 52 - Expected Resources – Priority Table

AP-20 Annual Goals and Objectives – 91.320(c) (3) &(e)

Goals Summary Information

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	2B. Increase Homeownership Opportunities	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$937,450 CDBG: \$250,000	Homeowner Housing Added: 56 Household Housing Units Direct Financial Assistance to Homebuyers: 56 Households Assisted

Table 53 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

The following section describes the allocation priorities by goals in this plan.

Funding Allocation Priorities

	1A. Expand & Improve Public Infrastructure & Public Facilities (%)	2A. Rehabilitate Owner-Occupied Housing (%)	2B. Increase Homeownership Opportunities (%)	2C. Develop Affordable Rental Housing (%)	2D. Develop Housing for Vulnerable Populations (%)	3A. Provide Assistance for Job Creation (%)	4A. Provide Assistance to Reduce Homelessness (%)	4B. Provide Assistance for Shelters (%)	4C. Provide Assistance to Persons w/ HIV/AIDS (%)	Colonias Set-Aside	Total (%)
CDBG	75	5	2	0	0	0	8	0	0	10	100

[Pending: The allocation priorities include this 30-day public comment period and a separate 5-day public comment period]

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

New Mexico has designed its Method of Distribution (MOD) according to the State’s vision of how CDBG funds and other formula grants should be distributed within the State, consistent with State program requirements and HUD Notice CPD-06-11. The MOD only summarizes selection criteria in this section of the Consolidated Plan because details are promulgated in official state publications that are widely disseminated to eligible applicants. This includes criteria used to select applications for funding including relative importance of the criteria. The MOD also includes, where appropriate, a description of how all resources will be allocated among funding categories and the threshold factors and grant size limits that are to be applied, including funding thresholds, number of applications allowed per grantee, as well as any grant limits that the State has imposed.

Distribution Methods

1	State Program Name:	Community Development Block Grant (CDBG) Program
	Funding Sources:	CDBG and CDBG-CV1
	Describe the state program addressed by the Method of Distribution.	<p>DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials and other eligible applicants with the implementation of needed infrastructure, public buildings, housing rehabilitation, economic development, planning and other critical projects. Ten percent of each allocation is set aside for activities in the Colonias.</p> <p>The CARES Act adds additional flexibility for CDBG-CV1 grants in these unprecedented times. The objective, as such, shall be to help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income.</p> <p style="color: red;">These methods of distribution will not apply to the CDBG Single Family and Residential Properties Development Program as described in MOD 9.</p>

9	State Program Name:	CDBG Single Family and Residential Properties Development Program
	Funding Sources:	CDBG (NSP Activity Code)

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The CDBG Single Family and Residential Development Program provides below-market-rate loans to developers for land purchase, infrastructure development, acquisition/rehabilitation and construction of single-family homes* for purchase by low-income households. This activity will be solely funded by program income generated by MFA’s NSP program and future CDBG program income generated by this activity. MFA is a designated unit of general local government (UGLG) and will have first access to the generated program income. The funds will be made directly available to MFA without an application process requirement from MFA to DFA.</p> <p>Developers receiving loans from the program may also apply for grant funding for principal reduction of single-family mortgages obtained by purchasers of the constructed and rehabilitated homes. Developers of new construction will be made aware of the construction accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>MFA is a designated unit of general local government (UGLG) and will have first access to the generated program income.</p> <p>CDBG single-family and residential development loans and any associated principal reduction grants are provided on a first-come, first-served basis, provided that the project meets MFA’s underwriting criteria.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers’ mortgages. MFA will outreach to CHDOs to encourage them to apply.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts will vary based on financial need.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<ul style="list-style-type: none"> • Number of homes constructed for eligible homebuyers • Number of eligible homebuyers receiving down payment assistance

***CDBG guidelines for manufactured housing and prefabricated housing.**