

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 add Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds and to amend the Citizen Participation Plan to permit the use of a 5-day public comment period for substantial amendments related to COVID-19 as allowed for in the HUD memo. 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: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF). The CARES Act funds are available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV, ESG-CV and HOPWA-CV. The allocation amount of CDBG-CV funding is \$6,802,356. The ESG-CV funding allocation is \$4,140,483 and the HOPWA-CV funding allocation is \$146,170.

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. In a memo released on April 1, 2020, HUD waived 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i) in order to balance the need to respond quickly to the growing spread and effects of COVID-19 with the statutory requirement to provide reasonable notice and opportunity for citizens to comment on substantial amendments. This 30-day minimum for the required public comment period was waived for substantial amendments, provided that no less than 5 days are provided for public comments on each substantial amendment. Based on this waiver, the State of New Mexico will provide a 5-day public comment period in the event of a substantial amendment related to COVID-19 through December 31, 2020. The five-day public comment period will begin on June 21, 2020 and end on June 25, 2020, and a virtual public hearing on the draft will be held on June 22, 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)
- AP-35 Projects – (Optional)
- Appendix L: Citizen Participation Plan

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

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

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the CDBG, HOME, ESG, HOPWA and HTF programs. The CDBG program provides much needed infrastructure improvements, planning grants, opportunities for economic development and housing. Other anticipated resources for the CDBG program include other federal funds, state and local funds as well as investments from local businesses. The HOME program will produce program income that will also be available for program-specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Shelter Plus Care, Section 811 Housing, Section 202 Housing, Rural Innovation Fund, Housing Counseling or other types of programs. Many partners leverage their resources with other funding sources that they receive directly such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self Determination Act NAHASDA funding.

Additional federal resources utilized by MFA, DFA and their partners will include HUD's Recovery Housing Program, Victims of Crime Act grants, assistance from the Federal Emergency Management Agency, HUD Veterans Housing Rehabilitation Program, USDA Section 502 Program, FHA loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the Internal Revenue Service (IRS), HUD 542(c) Risk Sharing Program, United States Department of Agriculture (USDA) programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance and the Federal Home Loan Bank (FHLB) Affordable Housing Program.

Other nonfederal resources that could be available to MFA, DFA and their partners include resources from State legislative allocations, New Mexico Human Services Department funding, New Mexico Children, Youth & Families Department funding, the New Mexico Housing Trust Fund, the Affordable Housing Charitable Trust, the MFA Primero Fund and the New Mexico Affordable Housing Tax Credit. Further, local governments may provide resources, and private support may be available from organizations such as the United Way and the Ventana Fund (a Community Development Financial Institution), or from developer contributions (e.g. - land, deferred developer fee, loans) and private donations.

As part of the Coronavirus Aid Relief and Economic Securities Act (CARES Act), MFA and DFA received funding from HUD that is available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV1, ESG-CV1 and HOPWA-CV1. Unless otherwise noted or depicted separately, references in the Strategic Plan to CDBG, ESG and HOPWA also refer to CDBG-CV1, ESG-CV1 and HOPWA-CV1, respectively.

MFA received \$4,140,483.00 in ESG-CV1 funding. The focus of the program is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The

allowable activities for this funding are maintaining and updating of the Homeless Management Information System (HMIS), Shelter Operations, Essential Services, Homeless Prevention and Rapid Re-Housing. The program is intended to be used for the most vulnerable populations who meet the eligibility criteria as outlined in the ESG regulation under 24 CFR Part 576.

HUD awarded HOPWA-CV1 funding to the City of Albuquerque in the amount of \$76,795 and to MFA in the amount of \$69,375 for a total of \$146,170. HOPWA funds are used to provide housing assistance for low-income individuals living with HIV/AIDS and their families. Services can be in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and PHP is used to pay for security deposits, utility connection fees and first month's rent.

DFA received \$6,802,356 in CDBG-CV1 funding. The CARES Act adds additional flexibility for CDBG 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.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

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 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	11,577,987	583,799	400,000	12,561,786	47,531,683	<p>The State will set aside 10% of its CDBG allocation for Colonias. State CDBG funds are not used on state 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, and in Years 2-5, this is projected to be \$1,219,735.</p>

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: \$		
HOME	public - federal	Admin and Planning Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,245,062	1,181,284	5,594,331	12,020,677	20,980,248	Funds may be used statewide.
HOPWA	public - federal	Permanent housing placement Short-Term Rent, Mortgage and Utility (STRMU) assistance Tenant-Based Rental Assistance (TBRA)	1,004,413	0	0	1,004,413	4,017,652	In addition to its direct allocation, MFA administers the City of Albuquerque HOPWA allocation under a memorandum of understanding as well, and those funds are used specifically in the City of Albuquerque.

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: \$		
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,200,740	0	0	1,200,740	4,802,960	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,000,000	0	1,830,000	4,830,000	12,000,000	Funds may be used statewide.
CDBG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	6,802,356	0	0	6,802,356	0	CDBG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
ESG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	4,140,483	0	0	4,140,483	0	ESG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
HOPWA-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	146,170	0	0	146,170	0	HOPWA-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.

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
1	1A. Expand & Improve Public Infrastructure and Facilities	2020	2024	Non-Housing Community Development	Statewide	Expand & Improve Public Infrastructure & Facilities	CDBG: \$55,754,591 CDBG-CV1: \$6,802,356	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 162,708 Persons Assisted
2	2A. Rehabilitate Owner-Occupied Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$19,007,016 CDBG: \$1,627,079	Homeowner Housing Rehabilitated: 193 Household Housing Units
3	2B. Increase Homeownership Opportunities	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$1,435,135	Homeowner Housing Added: 8 Household Housing Units Direct Financial Assistance to Homebuyers: 8 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop Affordable Rental Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$12,558,774 CDBG: \$1,084,720	Rental units constructed: 21 Household Housing Units Rental units rehabilitated: 28 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$16,830,000	Rental units constructed: 28 Household Housing Units Rental units rehabilitated: 28 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2024	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$1,627,079	Jobs created/retained: 46 Jobs Businesses assisted: 3 Businesses Assisted
7	4A. Provide Assistance to Reduce Homelessness	2020	2024	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$2,852,615 ESG-CV1: \$2,404,290	Tenant-based rental assistance / Rapid Rehousing: 1,532 Households Assisted Homelessness Prevention: 2,770 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	4B. Provide Assistance for Shelters	2020	2024	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$3,151,085 ESG-CV1: \$1,736,193	Homeless Person Overnight Shelter: 33,422 Persons Assisted
9	4C. Provide Housing Assistance to Persons w/ HIV/AIDS	2020	2024	Non-Homeless Special Needs	Statewide	Housing Assistance for Vulnerable Populations	HOPWA: \$5,022,065 HOPWA-CV1: \$146,170	Tenant-based rental assistance / Rapid Rehousing: 426 Households Assisted Homelessness Prevention: 752 Households Assisted

Table 51 – Goals Summary

Action Plan

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

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the CDBG, HOME, ESG, HOPWA and the HTF programs. The HOME program will produce program income that will also be available for program specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Shelter Plus Care, Section 811 Housing, Section 202 Housing, Rural Innovation Fund and Housing Counseling. Many partners leverage their resources with other funding sources that they receive directly such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self-Determination Act (NAHASDA) grants.

MFA's additional federal resources include HUD's Recovery Housing Program, HUD's Veterans Housing Rehabilitation Program, the Capital Magnet Fund, United States Department of Agriculture (USDA) programs, Federal Housing Administration (FHA) loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, the HUD 542(c) Risk Sharing Program and HUD Section 811 Project Rental Assistance.

Other nonfederal resources expected to be available through MFA include resources from State legislative allocations, the New Mexico Housing Trust Fund, MFA's Primero Fund and the New Mexico Affordable Housing Tax Credit. Many partners also leverage other state resources, such as funding from the New Mexico Human Services Department and the New Mexico Children, Youth & Families Department. Further, local governments may provide resources, and private support may be available from organizations such as the United Way and the Ventana Fund (CDFI), or from developer contributions (land, deferred developer fee, loans) and private donations.

As part of the Coronavirus Aid Relief and Economic Securities Act (CARES Act), MFA and DFA received funding from HUD that is available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV1, ESG-CV1 and HOPWA-CV1. Unless otherwise noted or depicted separately, references in the Action Plan to CDBG, ESG and HOPWA also refer to CDBG-CV1, ESG-CV1 and HOPWA-CV1, respectively.

MFA received \$4,140,483.00 in ESG-CV1 funding. The focus of the program is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The allowable activities for this funding are maintaining and updating of the Homeless Management Information System (HMIS), Shelter Operations, Essential Services, Homeless Prevention and Rapid Re-

Housing. The program is intended to be used for the most vulnerable populations who meet the eligibility criteria as outlined in the ESG regulation under 24 CFR Part 576.

HUD awarded HOPWA-CV1 funding to the City of Albuquerque in the amount of \$76,795 and to MFA in the amount of \$69,375 for a total of \$146,170. HOPWA funds are used to provide housing assistance for low-income individuals living with HIV/AIDS and their families. Services can be in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and PHP is used to pay for security deposits, utility connection fees and first month's rent.

DFA received \$6,802,356 in CDBG-CV1 funding. The CARES Act adds additional flexibility for CDBG 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.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

PROGRAM	POTENTIAL ADDITIONAL SOURCES OF FUNDS			
	Other Federal or Federally Subsidized	State	Local	Private
CDBG	US Department of Agriculture (USDA)	State legislative allocation, Colonias Infrastructure funds and Water Trust Board funds	Local government contributions	Community Assistance Corporation and private funding (economic development)
ESG - RAP		State legislative allocation, New Mexico Human Services Department funding	Local government contributions	
ESG - EHAP	Victims of Crime Act (VOCA) Federal Emergency Management Agency (FEMA)	State legislative allocation, New Mexico Children, Youth & Families Department funding	Local government contributions	United Way, private donations
HOPWA	None	None	None	None
HOME - Owner-Occupied Rehab	Community Development Block Grant (CDBG) HUD Veterans Housing Rehabilitation Program		Local government contributions	
HOME - Single Family Homeownership Development	Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program, Federal Housing Administration (FHA) loan programs	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, private donations

HOME - Rental	Low Income Housing Tax Credit (LIHTC) tax-exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, Federal Home Loan Bank (FHLB) Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (Community Development Financial Institution-CDFI), developer contributions (land, deferred developer fee, loans), private donations
HTF	LIHTC, tax-exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, FHLB Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (CDFI), developer contributions (land, deferred developer fee, loans), private donations

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	11,577,987	583,799	400,000	12,561,786	47,531,683	<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.</p>

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: \$		
HOME	public - federal	Admin and Planning Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,245,062	1,181,284	5,594,331	12,020,677	20,980,248	Funds may be used statewide.
HOPWA	public - federal	Permanent housing placement Short-Term Rent, Mortgage, and Utility (STRMU) assistance Tenant-Based Rental Assistance (TBRA)	1,004,413	0	0	1,004,413	4,017,652	MFA administers the City of Albuquerque HOPWA allocation under a memorandum of understanding as well, and those funds are used specifically in the City of Albuquerque.

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: \$		
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,200,740	0	0	1,200,740	4,802,960	Funds may be used statewide
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,000,000	0	1,830,000	4,830,000	12,000,000	Funds may be used statewide.
CDBG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	6,802,356	0	0	6,802,356	0	CDBG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
ESG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	4,140,483	0	0	4,140,483	0	ESG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
HOPWA-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	146,170	0	0	146,170	0	HOPWA-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.

Table 52 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied

Federal funds in the programs shown above are leveraged in many ways. CDBG funds are leveraged with appropriations from the state legislature and local governments. This leverage equates to a dollar to dollar match after the first \$100,000. HOME and HTF funds are leveraged with HUD's Veterans Housing Rehabilitation Program, Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program, FHA loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, FHLB Affordable Housing Program, the state's General Fund, the New Mexico Housing Trust Fund, the New Mexico Affordable Housing Tax Credit, the Primero Fund, the Ventana Fund, and a variety of private and local funding sources.

ESG is leveraged with appropriations from the state legislature, and is used in conjunction with VOCA, FEMA, New Mexico Children, Youth & Families Department funding, New Mexico Human Services Department funding, local government contributions, United Way funding and private donations. After the first \$100,000, all expenses must be matched dollar for dollar. Cash, non-cash, and program income must meet requirements of § 576.201. Matching funds must be contributed to the ESG program and expended for the subrecipient's allowable ESG costs. Emergency Homeless Assistance program (EHAP) subrecipients shall be required to provide matching funds in an amount at least equal to their approved ESG funding amounts for eligible program activities. Eligible match sources include: cash; the value or fair rental value of any donated material or building; the value of any lease on a building; any salary paid to staff to carry out the program of the recipient and the value of the time and services contributed by volunteers to carry out the program of the subrecipient at a current rate of \$5 per hour. Volunteers providing professional services such as medical or legal services are valued at the reasonable or customary rate in the community. Match requirements for the Rental Assistance program (RAP) are met by MFA's legislative appropriations for state homeless programs.

Match requirements of the HOME program will be met by three primary sources: resources committed by grantees and local governments, proceeds from mortgage revenue bonds and MFA general fund interest subsidy. Eligible forms of HOME match are documented by MFA and reported to HUD as part of the Consolidated Annual Performance and Evaluation Report (CAPER) each year.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

This section is not applicable.

Discussion

The State receives CDBG, HOME, ESG, HOPWA and HTF funds. With the exception of a 10% set -aside of CDBG funds for Colonias and the specific use of HOPWA funds administered on behalf of the City of Albuquerque, all funds are eligible for use statewide. The State makes special efforts to leverage all funds through other federal, state, local and private sources to further address the needs identified in this Action Plan.

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
1	1A. Expand & Improve Public Infrastructure and Public Facilities	2020	2020	Non-Housing Community Development	Statewide	Expand & Improve Public Infrastructure & Facilities	CDBG: \$11,459,874 CDBG-CV1: \$6,802,356	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 33,057 Persons Assisted
2	2A. Rehabilitate Owner Occupied Housing	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$6,673,651 CDBG: \$550,956	Homeowner Housing Rehabilitated: 68 Household Housing Units
3	2B. Increase Homeownership Opportunities	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$937,450	Homeowner Housing Added: 5 Household Housing Units Direct Financial Assistance to Homebuyers: 5 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop Affordable Rental Housing	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$4,409,576	Rental units constructed: 7 Household Housing Units Rental units rehabilitated: 7 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$4,830,000	Rental units constructed: 8 Household Housing Units Rental units rehabilitated: 8 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2020	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$550,956	Jobs created/retained: 15 Jobs Businesses assisted: 1 Business Assisted
7	4A. Provide Assistance to Reduce Homelessness	2020	2020	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$570,523 ESG-CV1: \$2,404,290	Tenant-based rental assistance / Rapid Rehousing: 1,050 Households Assisted Homelessness Prevention: 1,213 Persons Assisted
8	4B. Provide Assistance for Shelters	2020	2020	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$630,217 ESG-CV1: \$1,736,193	Homeless Person Overnight Shelter: 6,684 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	4C. Provide Assistance to Persons w/ HIV/AIDS	2020	2020	Non-Homeless Special Needs	Statewide	Housing Assistance for Vulnerable Populations	HOPWA: \$1,004,413 HOPWA-CV1: \$146,170	Tenant-based rental assistance / Rapid Rehousing: 95 Households Assisted Homelessness Prevention: 171 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	82	4	0	0	0	4	0	0	0	10	100
HOME	0	55	8	37	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	0	100	0	100
ESG	0	0	0	0	0	0	48	52	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	100
CDBG-CV1	100	0	0	0	0	0	0	0	0	0	100
ESG-CV1	0	0	0	0	0	0	58	42	0	0	100

HOPWA- CV1	0	0	0	0	0	0	0	0	0	100	0	100
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Table 54 – Funding Allocation Priorities

Reason for Allocation Priorities

Through experience, data analysis and consultation, the allocation priorities for CDBG and HOME have been identified as noted above. These priorities reflect the estimated amount of funds necessary to meet the goals set forth in this Plan and address the priority needs identified by the State. HUD funds are being targeted to priority housing and community development needs, including owner-occupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

For the **traditional** State CDBG program, the allocation percentages are based on totals given the demand-driven nature of the program and HUD regulation. Most CDBG funds are allocated through annual competition. This competitive process prioritizes funding in part to applicants that describe and document significant need. This need-based review prevents DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity. **CDBG-CV1 funds are to be used in response to complications associated with COVID-19 and add additional flexibility in these unprecedented times to include waivers and alternative requirements. CDBG-CV1 activities shall be interpreted as the improvement of public infrastructure in the most general sense possible in an effort to help New Mexico in these difficult and unforeseen times.**

HOME funds are allocated to activities as indicated above on an annual basis, after MFA learns the amount of funding from HUD for the upcoming year. Applications for HOME funds for multifamily developments can be made through the competitive LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come, first-served basis for as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RAP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters receiving EHAP funds are selected through a competitive process that includes a number of criteria, such as the shelter's capacity and previous performance. These criteria ensure that the highest number of individuals will be served by shelters that are most qualified to serve them. RAP funds are awarded to agencies providing homeless prevention and rapid rehousing services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced. ESG-CV1 funding will be awarded to EHAP and RAP. Sub-recipients that are selected from the competitive EHAP RFP will be awarded ESG-CV1 funding thus eliminating the process of completing

another lengthy RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV1 funding. These eligible shelters will receive the portion of ESG-CV1 funding if they successfully followed ESG regulations and have previously received EHAP funding. Sub-recipients that are currently administering RAP will be awarded ESG-CV1 funding thus eliminating the lengthy RFP process. Information will be collected from previously selected RAP sub-recipients to determine how to distribute the funds. RAP sub-recipients will be awarded ESG-CV1 funding for each responded request based on the information collected.

HOPWA funds are used for housing assistance for persons with HIV/AIDS and are allocated to agencies selected through a competitive process that includes criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of persons at or below the federal poverty level who are diagnosed with HIV/AIDS in the counties served by each agency. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced. HOPWA-CV1 funding will be awarded to sub-recipients that are currently administering HOPWA thus eliminating the lengthy RFP process. A designated amount of HOPWA-CV1 funding is awarded and used only for the City of Albuquerque. The remaining HOPWA-CV1 funding is awarded to the Balance of State. In order to determine the Balance of State funding allocations, the Department of Health provides MFA the number of persons living with HIV/AIDS with incomes below the federal poverty level. Depending on the number provided, the funding will be allocated for each region to be served across the state.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds will address the priority needs of the plan by meeting the objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through the various methods of distribution.

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>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>DFA determines areas of CDBG funding based on need, readiness to proceed, uniform grant guidance and other current ranking criteria identified in the CDBG Rules and Regulations (NMAC 2.110.2).</p> <p>DFA has created a vetting process to ensure that set-aside funds for economic development and housing are efficiently utilized. Subrecipients are given an application after all parties involved agree that the project is eligible and has a low degree of risk. This process is designed to save time and eliminate unnecessary work.</p> <p>All CDBG-CV1 funds will be used as part of a needs-based response to COVID-19.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>DFA maintains CDBG applications, manuals and other necessary information on its website at http://www.nmdfa.state.nm.us/CDBG_Information_1.aspx</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Under the CDBG program, eligible applicants can apply for one of the following categories, contingent on funding availability: community infrastructure, housing, public facility capital outlay, economic development, or planning. Any of the funding categories above may be used in the Colonias</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Traditional CDBG Funds (Non-CARES Act CDBG Funding)</p> <ul style="list-style-type: none"> • Eligible applicants can have one open project at any time for up to \$750,000 in CDBG infrastructure funds. • Eligible applicants can apply throughout the year for up to \$500,000 in housing funds, as long as funds are available. • Eligible applicants can have one open project at any time for up to \$750,000 for CDBG public facilities. • Eligible applicants can have one open project at any time for up to \$500,000 for CDBG economic development funds, as long as funds are available. • Eligible applicants may apply for up to \$50,000 for CDBG planning funds throughout the year, as long as funds are available. <p>CDBG-CV1</p> <ul style="list-style-type: none"> • Eligible subrecipients of CDBG-CV1 funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons.
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<ul style="list-style-type: none"> • Number of persons assisted with public infrastructure and facilities funds • Number of rental units rehabilitated with housing funds • Number of owner-occupied homes rehabilitated with housing funds • Number of jobs created or retained with economic development funds • Number of businesses assisted with economic development funds
<p>2 State Program Name:</p>	<p>HOME Rental Development</p>
<p>Funding Sources:</p>	<p>HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The HOME Rental Development program provides below-market-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60% of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30% AMI.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Projects intending to use HOME funds in conjunction with 9% LIHTCs must meet all the conditions and requirements set forth in the applicable QAP. Projects receiving LIHTC awards will be awarded HOME funds simultaneously. Award amounts and payment structures will be determined by the debt capacity of the individual project and must meet the standards adopted for the LIHTC and HOME programs.</p> <p>Applications for HOME funds for all projects outside of the 9% LIHTC round will be accepted and reviewed on a first-come, first-served basis. MFA will conduct outreach to Community Housing Development Organizations (CHDOs) to encourage them to apply.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Awards of HOME funds to projects that receive 9% LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (b) \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs or (c) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non-CHDOs, (b)\$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.</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 rental units constructed for eligible households • Number of rental units rehabilitated for eligible households

3	State Program Name:	Homeowner Rehabilitation Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The Homeowner Rehabilitation Program provides funding for the rehabilitation of homes occupied by homeowners whose annual household income does not exceed 60 percent of the area median income, adjusted for family size. In the event that substandard units are in such poor repair that rehabilitation is not appropriate, funds may also be used for reconstruction or replacement. Substandard units may be replaced with a new site-built home or new manufactured housing that is affixed to a permanent foundation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Subrecipients are selected based on organizational capacity, financial management capacity, construction experience, quality of program implementation plans, community need and other ranking criteria identified in a Request for Proposals (RFP) issued by MFA. Homeowners must occupy the home to be rehabilitated and must have annual household incomes at or below 60% of AMI adjusted for family size as determined by HUD.
	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Three percent of HOME funds are designated for subgrantee administrative fees.
	Describe threshold factors and grant size limits.	Hard construction costs are generally limited to an average of \$55,000 per home. Funding for soft costs of between \$10,000 - \$13,000 per home, depending on the home's location, may be available to subgrantees. These limits may change slightly, at MFA's discretion.
	What are the outcome measures expected as a result of the method of distribution?	Number of eligible homes rehabilitated according to the program's standards.
4	State Program Name:	HOME Single Family Development Program
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	The HOME Single Family Development Program provides below-market-rate loans to developers for land purchase, infrastructure development and construction of single-family homes for purchase by low-income households. Developers receiving such loans may also apply for grant funding for principal reduction of single family mortgages obtained by purchasers of the constructed 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HOME single-family 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.
	Describe how resources will be allocated among funding categories.	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.
	Describe threshold factors and grant size limits.	Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts will vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • Number of homes constructed for eligible homebuyers • Number of eligible homebuyers receiving down payment assistance
5	State Program Name:	Rental Assistance Program (RAP)
	Funding Sources:	ESG and ESG-CV1
	Describe the state program addressed by the Method of Distribution.	The Rental Assistance Program (RAP) provides funds to subrecipients across the state who deliver emergency assistance to individuals and households experiencing homelessness or at risk of becoming homeless. Assistance can be used for rent, rental arrears, security deposits, application fees, housing relocation and stabilization services, housing search and placement and utilities and utility arrears and is intended to restore stability for a specific time period.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Sub-recipient applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Beneficiaries of rapid re-housing assistance must meet the definition of homelessness set forth in 24 CFR §576.104. Beneficiaries of homelessness prevention assistance must have incomes at or below 30% AMI and have documentation that they will lose their housing within 14 days.</p> <p>Sub-recipients that are currently administering RAP will be awarded ESG-CV1 funding thus eliminating the lengthy RFP process.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Traditional ESG Funds (Non-CARES Act ESG Funding)</p> <p>RAP funds are currently available to subrecipients through an RFP process. Nonprofit 501(c)(3) organizations and units of general purpose local government are eligible to apply. Selected subrecipients are eligible to receive funds for up to 6 years on an annual basis if the renewal criteria are met each year.</p> <p>ESG-CV1</p> <p>Information will be collected from previously-selected RAP sub-recipients to determine how to distribute the funds, including:</p> <ul style="list-style-type: none"> • Funding amount the organization can expend; • Staff and equipment capability for additional workload; • Ability to serve counties outside the one in which they reside; and • Administrative funds needed for the program. <p>RAP sub-recipients will be awarded ESG-CV1 funding for each responded request based on the information collected.</p>
<p>Describe how resources will be allocated among funding categories</p>	<p>Traditional ESG Funds (Non-CARES Act ESG Funding)</p> <p>Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA’s allocation will be used for eligible administrative costs incurred by MFA.</p> <p>ESG-CV1</p> <p>As described above, RAP sub-recipients will be awarded ESG-CV1 funding for each responded request based on the information collected. The maximum amount of administrative funds available for this grant is 10 percent of total funding. MFA is retaining 2.5 percent to cover the administrative costs of operating this program and is awarding 7.5 percent to the RAP program subrecipients.</p>

	Describe threshold factors and grant size limits.	Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • Number of eligible households receiving rapid re-housing assistance • Number of eligible persons receiving homelessness prevention assistance
6	State Program Name:	Emergency Homeless Assistance Program (EHAP)
	Funding Sources:	ESG and ESG-CV1
	Describe the state program addressed by the Method of Distribution.	The Emergency Homeless Assistance Program (EHAP) provides funding for emergency shelter operations, essential services and data collection using HMIS or Osnium.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Traditional ESG Funds (Non-CARES Act ESG Funding)</p> <p>Applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Individuals qualifying for assistance must meet HUD’s definition of homelessness.</p> <p>ESG-CV1</p> <p>Sub-recipients that are selected from the competitive EHAP RFP will be awarded ESG-CV1 funding thus eliminating the process of completing another lengthy RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV1 funding. These eligible shelters will receive a portion of ESG-CV1 funding if they have previously received EHAP funding and have successfully followed ESG regulations.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Traditional ESG Funds (Non-CARES Act ESG Funding)</p> <p>EHAP funds are currently available to subrecipients through an RFP process. Nonprofit 501(C)(3) organizations and units of general purpose local government are eligible to apply. Selected sub-recipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.</p> <p>ESG-CV1 Sub-recipients that are selected from the competitive EHAP RFP will be awarded ESG-CV1 funding thus eliminating the process of completing another lengthy RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV1 funding as described above.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Traditional ESG Funds (Non-CARES Act ESG Funding)</p> <p>Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA’s ESG allocation will be used for eligible administrative costs incurred by MFA.</p> <p>ESG-CV1 ESG-CV1 awards for EHAP sub-recipients will be determined by the size of each shelter which is based on their number of available beds. Shelters that did not receive the additional EHAP program funding will be offered ESG-CV1 funding if they provide a list of specific items that they could spend this money on within six months. The maximum amount of administrative funds available for this grant is 10 percent of total funding, which will be used for eligible administrative costs incurred by MFA.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Number of eligible persons assisted</p>
<p>7 State Program Name:</p>	<p>Housing Opportunities for Persons with AIDS (HOPWA) Program</p>
<p>Funding Sources:</p>	<p>HOPWA and HOPWA-CV1</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The HOPWA program provides tenant-based rental assistance; short-term rent, mortgage, and utilities payments (STRMU); and permanent housing placement assistance to income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their incomes do not exceed 80 percent of the area median income as determined by HUD. MFA administers both the City of Albuquerque allocation and the New Mexico Balance of State allocation.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Traditional HOPWA Funds (Non-CARES Act HOPWA Funding)</p> <p>Subrecipient applicants are selected based on organizational capacity, including financial management capacity, housing experience and plans for proposed areas to be served. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Recipients of assistance must be income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their incomes do not exceed 80 percent of the area median income as determined by HUD.</p> <p>HOPWA-CV1</p> <p>Sub-recipients that are currently administering HOPWA will be awarded HOPWA-CV1 funding thus eliminating the lengthy RFP process. In order to determine funding allocations, the Department of Health provides MFA the number of persons living with HIV/AIDS with incomes below the federal poverty level in the regions to be served across the state.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Project sponsors are selected through a competitive RFP process that evaluates organizational capacity, including financial management capacity, housing experience and plans for proposed areas to be served. Nonprofit organizations, including grassroots and community-based organizations, are eligible to apply.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Traditional HOPWA Funds (Non-CARES Act HOPWA Funding)</p> <p>Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 3% of MFA’s HOPWA allocation will be used for eligible administrative costs incurred by MFA.</p> <p>HOPWA-CV1</p> <p>Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 6% of HOPWA-CV1 allocation will be used for eligible administrative costs incurred by MFA. Up to 10% of HOPWA-CV1 allocation will be used for eligible administrative costs incurred by project sponsors.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The HOPWA award for the City of Albuquerque allocation is limited to the allocation less administrative costs incurred by MFA. Award limits for the Balance of State are based on need, or the percentage of persons with HIV/AIDS that are below the federal poverty level in the region to be served.</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 eligible households receiving rental assistance • Number of eligible households receiving sort-term rent, mortgage, and utility assistance (STRMU)
<p>8 State Program Name:</p>	<p>National Housing Trust Fund (HTF)</p>
<p>Funding Sources:</p>	<p>HTF</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The HTF program provides forgivable or cash flow loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed the greater of 30% Area Median Income (AMI) or the federal poverty line.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>All projects must meet the following threshold criteria:</p> <ul style="list-style-type: none"> • HTF-assisted units must provide permanent rental housing for extremely low income (ELI) families. • HTF-assisted units must remain affordable to ELI families for at least 30 years. • The applicant must certify that HTF-assisted units will comply with all HTF requirements. • The project must be financially feasible. • HTF-assisted rehabilitation projects must comply with the rehabilitation standards found in the HTF allocation plan in the Grantee Unique Appendices. <p>All projects that meet the threshold criteria will be evaluated according to the following criteria:</p> <ul style="list-style-type: none"> • Geographic diversity • Duration of the affordability period beyond the required 30 years • Organization type • Absence of project-based assistance • Transit-oriented development • Rural location • Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market rate units • Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner • Use of state, local and private funding sources • Extent to which the project provides permanent supportive housing
<p>Describe how resources will be allocated among funding categories.</p>	<p>Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the Notice of Funding Availability issued by MFA, which elaborates on the guidelines described in MFA's HTF Allocation Plan. Up to 10 percent of MFA's allocation and future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All awards are limited by the maximum per-unit subsidy limits described in MFA's HTF Allocation Plan and by MFA's underwriting guidelines. Awards of HTF funds to projects that receive 9% LIHTCs are generally limited to \$400,000 per project; however, depending on fund availability higher awards may be allowed, at MFA's discretion. Limits on awards of HTF funds to all other projects may be established by MFA based on availability of funds. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.</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 units constructed for eligible households • Number of units rehabilitated for eligible households
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Table 55 - Distribution Methods by State Program

Discussion

Additionally, it should be noted that 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.

AP-35 Projects – (Optional)

Introduction

MFA and DFA wait to allocate funding on the project level until after HUD has published the FY formula allocations. When DFA receives notice of the CDBG allocation, they will make their allocation/funding decisions, which will be entered into IDIS through the AP-35 screen by DFA. Likewise, MFA will follow their normal allocation/funding decision process after receiving notice from HUD. Those projects will be entered into IDIS through the AP-35 screen by MFA. This is the normal process and does not cause a substantial amendment to the Action Plan. No further public notice will be required.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

HUD funds are being targeted to priority housing and community development needs, including owner-occupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

CDBG allocation percentages are based on a competitive process given the demand-driven nature of the program and HUD regulation. This process prioritizes funding in part to applicants that describe and document significant needs, preventing DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity. The State has set-aside 10% of its CDBG allocation to support providers located in the Colonias through investments in development/redevelopment projects and for homeless strategy. The Colonias have the additional barrier of the lack of capacity. Many of these communities do not have established local governments, tax bases or the organizational structure to compete for and implement funding. **CDBG-CV1 funding will be used in used to mitigate damage as the result of COVID-19, which mandates the expeditious utilization of funds in response a rapidly changing health and economic environment.**

HOME funds for multifamily developments can be made through the competitive annual LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come, first-served basis for as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RAP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters are selected through a competitive process that includes a number of criteria, such as the shelter's capacity and previous performance. RAP

funds are awarded to agencies providing homeless prevention and rapid rehousing services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served.

HOPWA funds are used for housing assistance for persons with HIV/AIDS and are allocated to agencies selected through a competitive process that includes criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of persons at or below the federal poverty level who are diagnosed with HIV/AIDS in the counties served by each agency. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

The State endures obstacles addressing underserved needs due to not enough funding to meet the full need and service provider capacity, especially in remote rural areas. MFA and DFA will remove barriers to affordable housing by prioritizing and/or incentivizing existing providers and new providers to work in Colonias; strengthening delivery channels and building capacity to develop and rehabilitate housing in underserved areas; and promoting the development of new organizations to provide housing counseling and financial fitness education around the State.

(All language below will be added to the plan)

Appendix L: New Mexico Citizen Participation Plan

VIII. WAIVERS OF CONSOLIDATED PLAN REQUIREMENTS TO PREVENT THE SPREAD OF COVID-19 AND MITIGATE ECONOMIC IMPACTS CAUSED BY COVID-19

Citizen Participation Public Comment Period for Consolidated Plan Amendment

In a memo released to all community planning and development field office directors, deputy directors and program managers on April 1, 2020, HUD waived 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i) as specified below, in order to balance the need to respond quickly to the growing spread and effects of COVID-19 with the statutory requirement to provide reasonable notice and opportunity for citizens to comment on substantial amendments concerning the proposed uses of CDBG, HOME, NHTF, HOPWA or ESG funds.

This 30-day minimum for the required public comment period was waived for substantial amendments related to COVID-19, provided that no less than 5 days are provided for public comments on each substantial amendment. The waiver is available through the end of the recipient's 2020 program year. Any recipient wishing to undertake further amendments to prior year plans following the 2020 program year can do so during the development of its FY 2021 Annual Action Plan. Based on this waiver, the State of New Mexico will provide a 5-day public comment period in the event of a substantial amendment related to COVID-19 through December 31, 2020.

Citizen Participation Reasonable Notice and Opportunity to Comment

HUD recognizes the efforts to contain COVID-19 requires limiting public gatherings, such as those often used to obtain citizen participation, and that there is a need to respond quickly to the growing spread and effects of COVID-19. Therefore, in the previously mentioned memo, HUD waived 24 CFR 91.105(c)(2) and (k), 24 CFR 91.115(c)(2) and (i) and 24 CFR 91.401 to allow grantees to determine what constitutes reasonable notice and opportunity to comment given their circumstances. This authority is in effect through the end of the 2020 program year.

In-person public hearings are not required. Grantees may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses. Based on this waiver, the State of New Mexico will provide access for citizens to participate in virtual public hearings regarding substantial amendments related to COVID-19 through December 31, 2020 through MFA's website at <http://housingnm.org/resources/new-mexico-consolidated-plan>. During the 5-day comment period, citizens can leave a comment on MFA's Contact Us page at <http://housingnm.org/contact/contact-us> in addition to emailing staff as described in public notices. MFA will not hold in-person public hearings through December 31, 2020 if national/local health authorities recommend social distancing and limiting public gatherings for public health reasons.