



HOME Investment Partnership
Homeowner (HOME) Rehabilitation
Program

Notice of Funding Availability



TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------------|-----------|
| Overview information | 4 |
| Introduction and Background | 4 |
| Agency Contacts..... | 4 |
| Definitions..... | 4 |
| Award Information | 7 |
| Award Notice | 7 |
| Funding Allocation | 7 |
| Funding Terms and Conditions | 7 |
| Method of Distribution | 8 |
| Eligibility Information | 8 |
| Eligible Applicants | 9 |
| Eligible Activities | 11 |
| Subcontractors..... | 12 |
| Leveraging and matching resources | 12 |
| Project Reservations | 12 |
| Project Funding/Reimbursement..... | 12 |
| Project Minimum and Maximum funding amounts | 13 |
| Period of Affordability..... | 14 |
| Eligible Beneficiaries | 14 |
| Funding Limits and Restrictions | 14 |
| Other Federal and State Requirements | 15 |
| Application, Submission, and Timely Receipt of Information | 15 |
| NOFA Availability | 15 |
| Application Format and Instructions to Applicants | 16 |
| Irregularities in Applications | 16 |
| Responsibility of Applicants | 16 |
| Application Confidentiality | 16 |
| Application Review Information | 16 |
| Evaluation of Applicants and Documentation | 16 |
| Subrecipient Evaluation Criteria | 17 |
| Other Information | 20 |

Incurring Expenses 20
Protest..... 20
Code of Conduct 21
Use of Electronic Versions of this NOFA 21
HOME REHABILITATION PROGRAM Notice of Funding Availability (NOFA) Forms..... 21

OVERVIEW INFORMATION

INTRODUCTION AND BACKGROUND

The New Mexico Mortgage Finance Authority (Housing New Mexico) 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 1978 *et seq.* (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

MFA is referred to throughout this document as “Housing New Mexico” receives Federal HOME Investment Partnership Program (HOME) funds through a Housing and Urban Development (HUD) formula grant and allocates a portion of these funds to the HOME Rehabilitation Program. The HOME Rehabilitation Program provides essential home repair and improvements that are non-luxury in nature to income eligible homeowners. The purpose of this Notice of Funding Availability (NOFA) is to invite the submittal of applications from Subrecipients in accordance with applicable guidelines set forth in this NOFA and established Housing New Mexico minimum qualifications. Housing New Mexico is looking for qualified, capable subrecipients, who are knowledgeable, skilled, and experienced in managing federal funding and can provide HOME Rehabilitation Program services. Subrecipients will be selected based on their capacity, experience, and the ability to provide Program services.

AGENCY CONTACTS

Housing New Mexico will be responsible for administering the HOME Investment Partnership Home Rehabilitation Program for current and subsequent funding allocations which include but are not limited to fund management, reporting, and monitoring of the Home Rehabilitation Program activities to ensure program compliance.

Point of Contact: Leann McDonald, Program Manager
Community Development Department
Housing New Mexico/ NM Mortgage Finance Authority
7425 Jefferson Street NE, Albuquerque, NM 87109
Office: (505) 767-2289
Email: lmcdonald@housingnm.org

For questions pertaining to the NOFA, please use contact above.

DEFINITIONS

PARTICIPATING JURISDICTION

As defined in 24 CFR 92: The responsible party for managing the day-to-day operations of its HOME Program, ensuring that HOME funds are used in accordance with all Program requirements and written agreements, and taking appropriate action when performance problems arise. To be designated as a Participating Jurisdiction, the jurisdiction must comply with the requirements outlined in 24 CFR 92 and have its consolidated plan approved by HUD.

Housing New Mexico is the Participating Jurisdiction (“PJ”) for the State of New Mexico for HOME Investment Partnership Funding.

SUBRECIPIENT

As defined in 24 CFR 92: A public agency, nonprofit organization or other HUD approved agency selected by the PJ to administer all or a portion of its HOME Rehabilitation Program activities.

Historically, this role has been referred to as a Service Provider, however for Program consistency with regulatory literature, you will see that Service Provider verbiage has been removed.

Subrecipients (formerly known as Service Providers) are organizations (Eligible Applicants) approved to administer this Program on behalf of Housing New Mexico to homeowners.

FEASIBILITY

For the purpose of this Program: A “feasible” project is determined through an extensive application, review, and eligibility process. A feasible project, as it relates to this Program, will receive an IDIS number and be reimbursable through HOME award allocation.

Infeasible project expenses as it relates to this Program will only be reimbursable through administrative award.

PIPELINE

Projects from Board approved Subrecipient waiting lists that have been pre-qualified and will be submitted for Housing New Mexico approval within the current or future Program year.

ADMINISTRATIVE AWARD

The administrative award is granted to the PJ in the amount of 10% of the federal award. It is up to the PJ to determine what percentage of administrative funding will be awarded to those administering this program on their behalf. Housing New Mexico is recommending that starting with 2025 funding awards that Subrecipients receive an administrative award of 5% of their allocated award amount.

OVERHEAD COSTS

Overhead costs are indirect costs that may be charged via “Administrative costs” or “Project Delivery costs” either under a cost allocation plan prepared and approved in accordance with 2 CFR 200.416 or the de minimis rate as permitted by 2 CFR 200.414(f)

Examples of indirect costs: Rent or mortgage; utilities; salaries/wages; office supplies; accounting/legal services; insurance premiums; etc.

All costs must be reasonable and necessary for the Program. No cost may be double billed to another funding source.

ADMINISTRATIVE COSTS

As defined in 24 CFR 92.207: Administrative costs are staff, overhead and direct costs that the Subrecipient incurs to administer or manage its overall HOME Rehabilitation Program. Administrative costs include Program related costs such as general management, oversight, and compliance costs.

HOME administrative costs must be identified in personnel records as time devoted to the HOME Program, but do not have to be specified to individual projects.

SOFT COSTS

Project soft costs are third-party costs incurred by the Subrecipient to implement the project. These costs are primarily associated with but not limited to determining the project's feasibility.

Examples of soft costs: Environmental review costs; title searches; permit fees; recording fees; legal and accounting fees; etc.

HARD COSTS

Project hard costs are the actual rehabilitation/construction costs approved by Housing New Mexico to meet all Program property standards and all applicable codes and ordinances. Repairs and improvements are non-luxury in nature and meant to address health and safety hazards while creating sustainable housing.

Examples of hard costs: Repair or replacement of major systems or structural elements to meet useful life standards; accessibility modifications; energy-related improvements; Lead based paint, radon and asbestos hazard reduction; etc.

PROJECT DELIVERY COSTS

As defined in 24 CFR 92.206(d)(6): Project Delivery costs are the staff, overhead and direct in-house costs that are incurred by the Subrecipient to implement activities specific to HOME-assisted units.

HOME Rehabilitation Program project delivery costs are required to be tied to a specified address, including documentation of the specified address on timesheets or personnel records consistent with the requirements of 2 CFR 200.430(i)

MASTER CONTRACT AND FSA

A Master Contract is issued annually to all active recipients within the Community Development Department of Housing New Mexico. If an applicant already administers another program within this Department, they will have already completed a Master Contract for the current year. If not, applicants will be sent a Master Contract to cover all Housing New Mexico policies and procedures upon approval to become a Subrecipient.

An FSA is a Funding Source Agreement that is specific to the funding source. In this case, the Funding Source Agreement is specific to the HOME Investment Partnership Program. The FSA will go over the requirements of the Subrecipient on how to administer this program.

Both the Master Contract and FSA will need to be fully executed prior to the Subrecipient administering this program.

UNIQUE ENTITY IDENTIFIER (UEI)

The Federal Government has transitioned from the use of the DUNS Number to the Unique Entity Identifier (UEI) as the primary means of entity identification for Federal awards government-wide. UEIs are required in accordance with 2 CFR Part 25, and the transition from DUNS to UEI has resulted in the UEI being issued by the Federal Government in SAM.gov. This means entities no longer rely on a third-party to obtain an identifier (i.e., a DUNS issued by Dun and Bradstreet). This change streamlines the entity identification and validation process, making it easier and less burdensome for entities to do business with the Federal Government.

REHABILITATION

The improvement of the condition of a property from deteriorated or substandard to good condition. Rehabilitation may vary in degree from the extensive reconstruction to the cure of substantial accumulation of deferred maintenance. The HOME Rehabilitation Program funding requires the unit to meet the property standards of 24 CFR Part 92.251.

AWARD INFORMATION

AWARD NOTICE

Housing New Mexico provided electronic notice (e-mail) of initial project award(s) to successful Applicants within fifteen (15) days of the Housing New Mexico Board approval in August 2023 following the initial release of this NOFA. Housing New Mexico shall notify all future Applicants within fifteen (15) days of Housing New Mexico Board approval. The award shall be contingent upon signing final award documents. The notification will be delivered to the contact person indicated on the application. This process also applies to denial notification.

Upon 80% expenditure of current awards, Board approved Applicants/Subrecipients may request additional funding. Additional funding allocations will be approved through the Policy Committee. All approvals of additional funding allocations shall be contingent upon Subrecipient being in good standing within Housing New Mexico and with SAM.gov and providing Housing New Mexico all required documentation provided for the annual renewal process.

FUNDING ALLOCATION

The 2023 HUD HOME award allocations were approved by the Housing New Mexico Board of Directors on May 17, 2023. The HOME Rehabilitation Program received \$4,997,360 for the 2023 Program year. This NOFA will remain open as long as there are available funds. Each Program year, we anticipate an additional award which may be added to this NOFA. Housing New Mexico will provide notice of additional funding allocations to the program through Housing New Mexico's website. As subsequent year awards are deposited into the HOME Rehabilitation Program funding availability this will also be posted to our website as the available balance to award to active and incoming qualified Subrecipients.

Awards will be given to approved Subrecipients on a project-by-project basis. Subrecipients may request funding for up to five (5) pipeline projects which may be submitted for initial request of funding availability or upon 80% expenditure of the current award. Funding will be granted based on the cost estimates of the (up to 5) projects requested. For incoming Applicants who do not yet have a pipeline in place, if determined to be eligible and become a Subrecipient, Housing New Mexico staff will request Board approval of an initial contract amount of \$250,000.

The administrative award available to all Subrecipients will be up to 5% of the total award for 2025 contracts and ongoing. Administrative costs are authorized under 24 CFR 92.207 and this funding will continue to be available to reimburse overhead costs associated with the program as well as the project delivery and soft costs associated with infeasible projects. No costs at any time may be billed to the homeowner.

FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds, applicable laws, and funding source regulations for the HOME Rehabilitation Program.

The HOME Rehabilitation Program mandates the following requirements to determine homeowner eligibility. Annual household income must be at or below (80%) of the area median income (“AMI”) of the HOME income limits, adjusted for family size; have ownership interest as permitted by the HOME final Rule and occupy the home as their principal residence. Subrecipients must certify eligibility within 6 months of the project start date. A more detailed description of requirements and how to determine eligibility is available in the HOME Rehabilitation Manual.

All federally funded rehabilitation projects are required to obtain environmental clearance. The HOME Rehabilitation Program follows 24 CFR Part 58 for this clearance. Housing New Mexico is the Responsibility Entity (RE) for the Program and tiers the Environmental Review process as permitted by 58.15. Housing New Mexico completes an annual Tier I review, and Subrecipients complete a Tier II Environmental Review for each project. All Tier II Environmental documentation is required to be submitted to the Housing New Mexico Environmental Officer for review prior to project approval. Housing New Mexico will not utilize HOME funding to rehabilitate homes within a floodplain. Additional details can be found in the HOME Rehabilitation Manual.

Housing New Mexico will allocate only the minimum amount of funds that it determines to be necessary and reasonable to complete each project. This will be determined through the project scope of work derived by the HOME Program Rehabilitation Standards. Subrecipients will be required to perform Program regulated procurement measures specified in the HOME Rehabilitation Program Manual as well as certify cost reasonableness for each project.

Regulation requires that the after-rehabilitation value of homeowner assisted units with HOME funds may not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD. HUD publishes the existing housing value limit per county each year. The current limits are available at: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>.

To establish project eligibility, after-rehabilitation value must be established prior to any work being performed. To establish the after-rehabilitation value, Subrecipients must use the methodology provided by Housing New Mexico. This methodology is documented in the Homeowner Rehabilitation Manual. All Program policy must be utilized to ensure compliance with HUD regulation.

Housing New Mexico will place a lien on the property using a Restrictive Covenant Agreement (“RCA”) or Tribal Land Agreement (“TLA”) signed by the homeowner, notarized and recorded before any funds are expended on each project. At project completion, the agreement is to be re-recorded (if hard costs have changed) at the County Clerk’s office where the property is located and delivered to Housing New Mexico via certified mail. This will ensure compliance with the restrictive period as outlined in the RCA/TLA and the forgivable terms of the loan. In the event of a sale of the property during the restrictive period, the homeowner will be responsible to pay for hard costs associated with the rehabilitation of the home based on the terms of the RCA/TLA. After year 10, the payback amount lessens by 20% per year unit year 15, when the restrictive period has been completed.

METHOD OF DISTRIBUTION

Housing New Mexico will award HOME Rehabilitation Program funds to eligible Subrecipients through this NOFA for the rehabilitation of eligible projects. All awards are distributed on a reimbursement basis. Please reference the HOME Rehabilitation Program Manual for further instruction. Housing New Mexico will solicit qualitative and quantitative information from Applicants to demonstrate if the project being proposed for HOME Rehabilitation Program funding fulfills the Program objectives.

ELIGIBILITY INFORMATION

ELIGIBLE APPLICANTS

Housing New Mexico will award HOME Rehabilitation Program funding to eligible Applicants to include, but not limited to, public and private non-profit organizations, governmental housing agencies, authorities, entities, or instrumentalities, regional housing authorities, tribal governments or housing agencies, or other entities that can assume contractual liability and legal responsibility through execution of a Master contract and FSA and/or other written agreements with Housing New Mexico. Individual homeowners are not eligible to apply directly through this NOFA for the HOME Rehabilitation Program. Applicants must be approved by Housing New Mexico and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of *24 CFR 92 HOME Investment Partnerships Program*. As part of the application, eligible Applicants must provide evidence the following:

1. Applicant must be able to provide housing rehabilitation related services to persons of low or moderate income.
2. Applicant must be formed as an organization under state, local, or tribal laws and provide proof of such organization and that the Applicant is in good standing with HUD or as applicable.
3. Applicant must be able to conduct business in New Mexico by evidence of a business license or other governmentally issued document.
4. Applicant must have a functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles (GAAP) or has designated an entity that will maintain such an accounting system that is consistent with GAAP.
5. Applicant must provide an independent Certified Public Accountant (CPA)'s auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditor's report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. Applicant will submit the most recent audit available; only the most recent will be accepted. If Applicant receives \$750,000 or more in federal funds, a Single Audit is required pursuant to 2 CFR 200. The following types of audit findings may disqualify Applicant from funding:
 - a. Repeat and unresolved audit findings or any pending investigations.
 - b. If Applicant has received greater than \$750,000 in funding and the single audit did not meet the requirements of 2 CFR 200.500-520.
 - c. For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC) and, if Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.
 - d. If referenced in audit as a separate communication, no submission of management response letter.
 - e. If any findings, no submission of management response to findings.
6. For Applicants that did not receive prior HOME Rehab funds, the Applicant must provide either an audit to the above standards or an independent CPA's review of financial statements.
7. Applicant shall have no significant financial audit findings, and (b) no significant outstanding or unresolved monitoring findings from any governmental entity, or from Housing New Mexico or otherwise; or if it has any

such findings, it has a certified letter from the governmental entity, Housing New Mexico or otherwise, stating that the findings are in the process of being resolved.

8. Applicant shall have among its purposes, the staffing capacity to provide significant activities related to providing HOME Rehabilitation services to income qualified homeowners Therefore, Applicant must provide resumes of the executive director (or equivalent), accountant, Program manager and case manager(s) who will be administering this grant.
9. Applicant shall not have defaulted on any obligation covered by a surety or performance bond.
10. Applicants who have received HOME Rehabilitation funds from Housing New Mexico in the past but discontinued providing these services due to capacity, compliance and/or programmatic issues will be evaluated on a case-by-case basis by Housing New Mexico to determine their capacity for receiving this funding.
11. Applicant must have a minimum of two (2) years of demonstratable history and familiarity with operating the type of activity related to providing housing or housing services to persons or households of low or moderate income for which it may receive funding.
12. Applicant must be in "good standing" as of the date of application. To be in good standing, Applicant must not have "suspended," "debarred" or have had HUD's Limited Denial of Participation status conferred upon it by Housing New Mexico and/or other funding sources because of misconduct or alleged misconduct.
13. All applicants must have a Unique Entity Identifier (UEI) number and an active registration in the System for Award Management (SAM), found at <https://www.sam.gov/portal/public/SAM/>
14. Applicant must provide a print screen from <https://www.sam.gov/portal/public/SAM/> and https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp documenting search for Applicant's name and executive director's name, as proof of compliance. The search must be dated within 30 days of the proposal date.
15. Applicant must have the capacity to attend all training related to administering this grant.
16. Applicants must provide proof of their business license.
17. Eligible Applicants can be located in any geographic area(s) within the State of New Mexico.

In addition to the eligibility requirements listed above, the following items are also required for eligibility:

18. **Non-Profits only**-Applicant must provide proof of its 501(c)(3) non- profit tax status.
19. **Non-Profits only**-Applicant must provide proof that it follows the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and must submit **proof of current registration as a charitable organization with the New Mexico Attorney General's Office** for fiscal year ending in 2023 or proof of exemption therefrom. Registration/verification may be obtained at <https://secure.nmag.gov/coros/> Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
20. **Non-Profits only**-Applicant must have no part of its net earnings benefitting any member, founder, contributor or individual.

21. **Non-Profits only**-Applicant must have a Board of Directors or other governing body and provide information on its members (names, contact information, employer, and term).
22. **Non-Profits only**-Applicant must provide a Resolution of the Board of Directors or Governing Body authorizing Applicant to apply for the HOME Rehabilitation funding or where authority has been delegated, documentation of the same and proof of authority to apply for HOME Rehabilitation funding. If Tribal entity, submit a current tribal resolution showing approval for applying to the HOME Rehabilitation Program.
23. **Non-Profits only**-Applicant must provide proof that they have been operating for a minimum of two (2) years.
24. **Completed and supplied the following documentation/exhibits.**

<https://housingnm.org/funding-opportunities/rfps-rfqs/home-rehab-nofa-2023>

ELIGIBLE ACTIVITIES

Approved sub recipients must comply with HOME Rehabilitation Program rules and regulations for the rehabilitation of eligible homeowner occupied projects. HOME Rehabilitation Program funds may be used only for reasonable costs allowed under Program regulation that are directly attributable and traceable to the awarded project. Costs related to the rehabilitation of a qualified project are eligible and include the purchase and replacement of manufactured housing if deemed necessary.

REHABILITATION

HOME Rehabilitation Program funds may be used for eligible home improvement activities which include but are not limited to making energy saving conservation improvements, eliminating health and safety hazards, enhancing accessibility for a disabled or elderly person, structural alterations and reconstruction, repair or replacement of major housing systems, adding or replacing roofing, reconditioning plumbing, installing or replacing a septic system, and general property improvements that are non-luxury in nature.

For the HOME Rehabilitation Program, the home must be owned and occupied by the applicants and be the primary residence as evidenced by a title search and a deed. Homes located on Tribal Land may have a 50-year lease or alternative acceptable to Housing New Mexico. Any person(s) whose name(s) appears on the title to the property must agree to participate in this program and must sign the Restrictive Covenant/Tribal Land Agreement. All members of the household over the age of 18, must be included for income determination purposes. All property taxes must be current for non-tribal land.

All items listed in the Funding terms and conditions of this NOFA will be required for project eligibility and feasibility. Project checklists, Program manual and Program Rehabilitation Standards and subsequent forms will be supplied to all interested Applicants and awarded Subrecipients.

Properties with a home equity mortgage lien on the property are not eligible for this Program.

Both the City of Albuquerque and City of Las Cruces may be placed back into State jurisdiction for Subrecipients to operate within should they elect to service Bernalillo or Dona Ana County. HOME Rule 92.201(b) says “the State must distribute HOME funds to rural areas in amounts that take into account the non-metropolitan share of the States total population and objective measures of rural housing need, such as poverty and substandard housing, as

set forth in the States approved consolidated plan.” Housing New Mexico has determined that HOME Rehabilitation Program funds awarded in the City of Albuquerque will not exceed 20% of the annual HOME Rehabilitation Program award and in the City of Las Cruces will not exceed 10% of the HOME Rehabilitation Program award per award year.

Manufactured Homes

Mobile or manufactured homes are also eligible for rehabilitation under this Program. HOME funds may be used to purchase mobile or manufactured homes to replace homes that are too costly to rehabilitate. Under this Program, eligible manufactured housing must comply with Housing New Mexico’s Resource Efficiency Standards. Mobile or manufactured home rehabilitations or replacements are eligible only if the land they are set on has a minimum term of the restrictive period of 15 years or greater or is owned by the homeowner. The mobile home is ineligible for this HOME Rehabilitation Program if it is in a mobile home park where a monthly lot fee is paid. Additionally, the mobile/manufactured home must be placed on a permanent foundation at time of completion.

SUBCONTRACTORS

Eligible Subrecipients shall not subcontract services for the management of the Program performed under the FSA without the prior written approval of Housing New Mexico. The only exceptions are for an EPA certified Risk and lead-based paint assessor, certified public accountant, and a general contractor’s construction crews.

LEVERAGING AND MATCHING RESOURCES

It may take more than the “maximum” amount of HOME funds to adequately rehabilitate any single home. The intent of this Program is to provide more HOME funds to the lower income homeowners (0-80% AMI). To increase the number of families assisted with the limited HOME funds, MFA highly encourages leveraging with other resources such as USDA-Rural Development loans. Whenever possible, eligible Subrecipients should coordinate with MFA’s NM EnergySmart Weatherization Program service providers to incorporate weatherization with all rehabilitation projects.

PROJECT RESERVATIONS

The reservation of funding of each project is subject to submission of a project application package including a completed reservation request form. The project application package must be uploaded to the secure file transfer website which may be accessed at <https://mfa.internal.housingnm.org/FileTransfer>. Housing New Mexico will not accept project application packages sent via U. S. mail, FedEx, UPS or physically delivered to the Housing New Mexico office. Applications will only be accepted through Housing New Mexico’s prescribed document management system. Only complete project packages will be accepted.

Housing New Mexico’s commitment to fund each rehabilitation project will be subject to Housing New Mexico approval as evidenced by a project acceptance notice which must be signed and acknowledged by the eligible Subrecipient and returned to Housing New Mexico via email. Once the project has been entered into HUD’s IDIS system, a project number will be generated. The project number and Restrictive Covenants Agreement or Tribal Land Agreement will be forwarded via email to the eligible Subrecipient. Subrecipients may then begin construction on the approved project as well as invoicing Housing New Mexico for reimbursable expenses related to the project.

PROJECT FUNDING/REIMBURSEMENT

Subrecipient may request reimbursement by using Housing New Mexico's Request for Reimbursement form. All approved Program expenses are paid on a reimbursement basis only. There are no advances to this funding permitted.

All requests for reimbursements must have corresponding backup documentation such as a grant specific/project specific General Ledger, contractor/vendor invoices, material receipts, time sheets showing time spent providing project management, copies of check payments, etc.

Housing New Mexico will only accept a Request for Reimbursement that has the original authorized official signature and all corresponding backup documentation as well as the assigned 4-digit IDIS Project number. Documentation that is insufficient or difficult to decipher may delay or halt the reimbursement process and may be grounds for the entire request to be denied. If denied, the Subrecipient may resubmit the request for reimbursement with corrections and is encouraged to refer to the Program Manual for clarification on allowable costs.

Requests for Reimbursement and all backup documentation are due every Friday by 5pm to be paid by the following Friday. This due date will allow adequate time for the HOME Rehabilitation Program Manager to review the full submission and provide feedback if there are any deficiencies, as well as submit to the Housing New Mexico Accounting Department by the internal deadline of Tuesday. Please note that Holidays may affect this time structure. Please refer to the Program manager for holiday deadlines.

The Subrecipient must hold back 10% of the final payment to the contractor until after final completion of construction work and all required documentation has been submitted. The holdback will not be drawn from IDIS or disbursed by Housing New Mexico until project completion.

Final invoices will be paid only when all close-out documents are received and approved by Housing New Mexico. Please refer to the Program Manual and checklist for the detailed list of required documentation.

PROJECT MINIMUM AND MAXIMUM FUNDING AMOUNTS

The minimum subsidy per unit is \$1,000. Housing New Mexico has removed the recommended amount per project as each project need is different and rarely comparable to the next. Within the Program there are checks and balances in place to ensure that only necessary and reasonable items are being addressed in each project. Quality Control will be implemented along with these changes and random inspections will be performed to ensure that there is consistency throughout the program, across the state. Subrecipients can expect for Housing New Mexico staff to accompany them to perform initial walk through and scope of work inspections at random. Housing New Mexico will only approve project scopes of work that cover the recommendations of the HOME Rehabilitation Standards. Cost reasonableness must be determined and certified by the Subrecipient for each project per Program regulation and is subject to denial if the PJ determines that the cost is not reasonable.

In the event that Program compliance is not being upheld by the Subrecipient, this Subrecipient may be subject to award deduction, additional program oversight as well as additional training requirements up to reallocation of program funding if issues persist.

Housing New Mexico must always remain below the Federal limits which are updated annually by HUD. An internal Program limit is set, and a project will never exceed \$200,000 which includes all fees (hard cost, soft cost and project delivery cost). Projects may be denied if the cost is not below the internal limit. Further breakdown of these costs and limitations are listed within the HOME Rehabilitation Program Manual.

RESTRICTIVE PERIOD

Each homeowner enters into a zero interest, conditionally forgivable loan and Restrictive Covenant Agreement or Tribal Land Loan Agreement. The terms of the agreement will vary depending on the cost to rehabilitate the home. The loan will be a non-amortizing, 0% interest loan that is due on sale, transfer, or refinance during the restrictive period. As long as the homeowner is in compliance with the requirements of the loan, the loan amount shall be reduced by 20% beginning on the anniversary date of the loan during the final 5 years of the restrictive period. The restrictive period for homes with over \$40,000 in hard cost will be a 15-year term. If applicable, any required repayments due to the sale, refinance, or transfer during the restrictive period will be made directly to Housing New Mexico.

ELIGIBLE BENEFICIARIES

Per HOME Rehabilitation Program guidelines, to be eligible to receive HOME Rehabilitation Program funding:

- Home must be owned and occupied by the household as a principal residence. Proof of ownership as well as primary residence is required.
- Annual household income must be at or below 80% of area median income (AMI) adjusted for family size as determined by the HUD for the HOME Program. The income(s) of all household members is required to determine income eligibility. All income and assets must be verified at the time eligibility is being determined. Furthermore, once certified, the project must be entered into IDIS within 6 months of certification, or a recertification must take place prior to project approval.
- The after-rehabilitation value may not exceed 95 percent of the median value issued annually by HUD, linked below:
[HOME Homeownership Value Limits - HUD Exchange Home must pass an Environmental review to ensure it is not located within a flood plain or any other area deemed non-compliant to utilize federal funding.](#)

FUNDING LIMITS AND RESTRICTIONS

HOME Rehabilitation Program awards are contingent on available funds. Housing New Mexico, in its discretion, may set limits on the amount of funding to be awarded. Approved Subrecipients are limited to five (5) open projects at any one time unless otherwise approved by Housing New Mexico.

To meet Housing New Mexico's construction standards and HOME regulatory requirement, the minimum subsidy per unit is \$1,000. The property must meet all construction standards upon final funding of the loan. The eligible Subrecipient will be responsible for guaranteeing that the work is properly inspected and completed. It will be the obligation of the eligible Subrecipient to ensure that the property meets all code requirements, construction standards and other HOME requirements, including but not limited to those associated with the HOME Rehabilitation standards(see Program Manual) and in compliance with all federal/state/local code and ordinance, including upcoming issuance of NSPIRE policies from HUD.

All work must meet Housing New Mexico and HUD Construction Standards, local building code and manufacturer's warranty requirements, and must be performed by a GB02 contractor and if working with mobile homes the contractor must be licensed for manufactured homes. Program funds can be used to secure a manufactured home to a permanent foundation.

ENVIRONMENTAL REQUIREMENTS

All projects are subject to an environmental review and must receive appropriate clearance prior to any expenditure of HOME funding. Housing New Mexico is the responsible entity for approving all Part 58 Environmental Reviews for the HOME homeowner rehabilitation program. Housing New Mexico will issue the Authority to use Grant Funds.

ENVIRONMENTAL TESTING

Subrecipients must certify and comply with applicable lead-based paint, asbestos, and radon regulations listed in *24 CFR Part 35*. Fees for testing and abatement cannot be passed to the homebuyer and are allowable expenses under HOME Rehabilitation Program.

On April 22, 2008, EPA issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, childcare facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Furthermore, Housing New Mexico has adopted policy for not only Lead based paint, but also asbestos and radon as previously mentioned. Please see the Program Manual for further information on compliance with these environmental factors.

OTHER FEDERAL AND STATE REQUIREMENTS

Subrecipients must meet Conflict of Interest Requirements as well as any other federal and state requirements applicable to the HOME Rehabilitation Program.

APPLICATION, SUBMISSION, AND TIMELY RECEIPT OF INFORMATION

NOFA AVAILABILITY

The NOFA may remain open as long as there are funds available. Applications can be submitted once the NOFA is released. If funds remain following the initial funding round, Housing New Mexico will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications will be received on a first come, first served basis, and will be evaluated in chronological order based on the date received. If sufficient funds are not available to fund all submitted requests for funding, they will be awarded based on the date received. Housing New Mexico will close the NOFA if funding is no longer available.

The HOME Rehabilitation Program NOFA applications and forms will be provided electronically and may be downloaded from Housing New Mexico's website. <https://housingnm.org/rfps/rfps-rfq>

Requested documentation must be provided, in order, according to the attached checklist Exhibit B. Forms provided by Housing New Mexico must be used. All requested documents must be submitted as one electronic PDF document to marmijo@housingnm.org and include "HOME Investment Partnership Home Rehabilitation Program Application Submission" in the subject line.

APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

Applicant's *subrecipient proposal* submissions must be complete and include all information requested in the NOFA. All exhibits identified in this NOFA are included in the application checklists. Application checklists include but are not limited to the exhibits, documentation, schedules, audits, certifications, and disclosures.

Staff may contact Applicants for clarification of the information provided. In the event of a tie score, staff will recommend approval based on need and what is best for achieving program objectives. Housing New Mexico will enter into a Master Contract and FSA and related agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the HOME Rehabilitation Program.

Subrecipient Proposal (Application) – (Exhibit A) Applicants must complete and submit the subrecipient application form with all required documents included in the subrecipient application checklist (Exhibit B). Under the provisions of this open NOFA, Housing New Mexico staff will evaluate the application using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria listed in this NOFA. Upon approval, Housing New Mexico and the Subrecipient will enter into a Master Contract and FSA. Upon execution of both agreements, project applications can be submitted for project awards.

IRREGULARITIES IN APPLICATIONS

Housing New Mexico may waive technical irregularities in the application of any Applicant selected for an award which do not alter the price, quality or quantity of the services offered. Please note that the date and time of application submission as indicated herein under "Application Submission and Due Date" cannot be waived under any circumstances.

RESPONSIBILITY OF APPLICANTS

If an Applicant who otherwise would have been awarded funds is found not to be a responsible Applicant, a determination setting forth the basis of the finding, shall be prepared and the Applicant disqualified from receiving the award.

A responsible Applicant means an Applicant who submits an application that conforms in all material respects to the requirements of this NOFA and who has furnished, when required, information and data to support the application. Housing New Mexico in its sole discretion, shall determine and otherwise verify Applicant's ability to make satisfactory delivery of the services described in this NOFA.

APPLICATION CONFIDENTIALITY

Housing New Mexico will not disclose the contents of any application or discuss the contents of any application with an Applicant or potential Applicant. The contents of any offer will not be disclosed to competing or potential Applicants. After awards have been made, and notice given to Applicant(s), all applications shall be made available and open to the public for review pursuant to the Housing New Mexico Request to Inspect Documents policy and procedure.

APPLICATION REVIEW INFORMATION

EVALUATION OF APPLICANTS AND DOCUMENTATION

Housing New Mexico staff will evaluate subrecipient applications using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria as described in the following sections. Housing New Mexico will follow its own policies and procedures to obtain the necessary award approvals. This Notice of Funding availability has been updated to remove territory competition. Where we previously only allowed one subrecipient per county/tribal territory; we now encourage multiple Applicants especially in underserved areas in hopes to reduce wait times for homeowners and increase productivity across the state.

Upon approval, Housing New Mexico and the subrecipient will enter into a Master Contract and FSA with the term to be determined by Housing New Mexico based on Subrecipient capacity and other factors.

The FSA will include provisions for adequate security against the loss of HOME Rehabilitation Program funds in the event that a successful Applicant abandons or otherwise fails to complete a project and further will include remedies and default provisions in the event of the unsatisfactory performance by the successful Applicant.

SUBRECIPIENT EVALUATION CRITERIA

The following criteria must be met by all Applicants to be considered an approved subrecipient to receive HOME Rehabilitation Program funding.

Qualified Applicants will submit a Subrecipient Application Form (Exhibit A) which will be reviewed using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria listed in this NOFA.

Applicants must score a minimum of 70 points of the total points possible.

Staff may contact Applicants for clarification of the information provided.

MINIMUM QUALIFICATION AND REQUIREMENTS

1. Be organized under state, local, or tribal laws and can provide proof of such organization and that Applicant is in good standing, as applicable;
2. A functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles or has a fiscal agent familiar with affordable housing Programs and projects.
3. Independent audit- or in lieu of an audit, an independent CPA's review of financial statements, signed by the reviewer.
4. No significant financial audit findings, and no significant outstanding or unresolved monitoring findings from any governmental entity, or from Housing New Mexico, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, Housing New Mexico, or otherwise stating that the findings are in the process of being resolved.
5. Not having been suspended, debarred, or otherwise restricted by any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct.
6. Not having defaulted on any obligation covered by a surety or performance bond.
7. Insurance Requirements – Subrecipient Applicants must maintain acceptable General Liability Insurance and work with qualified and licensed and bonded contractors.

Non-profit Applicants must also provide proof of the following:

1. 501(c)(3) tax status;

2. Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; and
3. Compliance with the Charitable Solicitations Act, NMSA 1978, §57-22-1 et seq. and with the filing requirements by the New Mexico Attorney General’s Office under that Act.

SUBRECIPIENT SCORING CRITERIA

| Criteria | Maximum Score |
|--------------------------------------------|---------------|
| Financial Strength | 25 |
| Construction and Rehabilitation Experience | 30 |
| Implementation Plan | 20 |
| Waiting List | 15 |
| Underserved Counties | 10 |
| Total Maximum Points | 100 |

| Financial Strength – 25 Possible Points | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <u>External Audit (10 possible points)</u> | |
| Unresolved findings | 0 |
| Independent Audit with management letter and auditor-cleared findings | 5 |
| Independent Audit with zero findings | 10 |
| <p>An independent audit or audited financial statements must be for the most recent completed fiscal year. Audit materials must include management’s response to any findings and corrective action to clear the finding or provide details on the current status of a finding.</p> | |
| <u>Financial Management (15 possible points)</u> | |
| Strength of internal control policy | 10 |
| Board of Director by-laws showing fiscal oversight | 5 |
| <p>Provide the policy for the Applicant’s system of internal controls for fiscal management as documented in a policies and procedures manual approved by the Applicant’s Board of Directors.</p> <p>Provide by-laws requiring Board of Director’s fiscal oversight.</p> | |

Construction and Rehabilitation Experience – 30 Possible Points

Complete the Field Experience and Capacity form and Project List in the
HOME REHABILITATION PROGRAM Project Application

| Names and years of experience for Individuals that will be managing the Program | Years of Experience | Capacity/Role/Services Offered |
|---------------------------------------------------------------------------------|---------------------|--------------------------------|
|---------------------------------------------------------------------------------|---------------------|--------------------------------|

Number of Construction &/or Rehabilitation Projects Completed for Housing New Mexico’s HOME Program (10 possible points)

| | |
|---------------|----|
| 0-4 units | 0 |
| 5 plus units | 5 |
| 7 plus units | 7 |
| 10 plus units | 10 |

Number of Construction &/or Rehabilitation Projects with other Federal Rehab Programs (10 possible points)

| | |
|---------------|----|
| 0-4 units | 0 |
| 5 plus units | 5 |
| 7 plus units | 7 |
| 10 plus units | 10 |

Number of Years’ Experience with Construction and Rehabilitation Projects (10 possible points)

| | |
|-------------------------------------------|----|
| Less than 15 years of combined experience | 5 |
| 15 to 24 years of combined experience | 7 |
| 25 plus years of combined experience | 10 |

Implementation Plan – 20 Possible Points

Provide a summary of how the Subrecipient will implement the HOME Rehabilitation Program, a description of the process to be undertaken, listing all major steps chronologically. Also include an estimated timeline.

Implementation (20 possible points)

| | |
|---------------------------------------------------------|----|
| Executive Summary | 5 |
| How home rehabilitation fits into Subrecipients mission | 10 |
| Quality Assurance Plan | 5 |

Waiting List – 15 Possible Points

Subrecipient must provide property addresses for eligible homes.
Number of Projects on Waiting List (up to 15 possible points)

| | |
|---------------------|----|
| 1-5 Projects | 5 |
| 5-10 Projects | 10 |
| 10 or more Projects | 15 |

Underserved County Projects – 10 Possible Points

Full Points will be awarded to Subrecipients who commit to providing home rehab services to two or more of the following counties:

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <ul style="list-style-type: none"> • San Juan • McKinley • Cibola • Rio Arriba • Taos • Colfax • Mora • San Miguel • Union • Los Alamos | <ul style="list-style-type: none"> • Harding • Quay • Guadalupe • Curry • De Baca • Lincoln • Chavez • Roosevelt • Otero • Lea | 10 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|

OTHER INFORMATION

INCURRED EXPENSES

Housing New Mexico shall not be responsible for any expenses incurred by an Applicant in applying for HOME Rehabilitation Program funding. All costs incurred by an Applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the Applicant.

PROTEST

Any Applicant who is aggrieved in connection with this NOFA or the notification of preliminary selection to this NOFA may protest to Housing New Mexico. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the NOFA, including Housing New Mexico's evaluation of proposals.

The protest must be delivered to Housing New Mexico via e-mail marmijo@housing.org within five (5) business days after the preliminary notice of award. Protests received after the deadline will not be considered. Upon the timely filing of a protest, Housing New Mexico shall give notice of the protest to all Applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Applicants receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest and responses to the protest shall be reviewed by the Housing New Mexico Policy Committee, the Policy Committee shall either make a final determination.

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of Housing New Mexico's Board of Directors, or any Housing New Mexico staff member regarding any application under consideration, except when specifically permitted to present testimony to the Board. An application will be deemed ineligible if the Applicant or any person or entity acting on behalf of the Applicant attempts to influence members of the Housing New Mexico Board of Directors or Housing New Mexico staff during any portion of the NOFA review process or does not follow the prescribed application and protest process.

CODE OF CONDUCT

Applicants, including members of the Applicant's board, shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. The Applicant shall always conduct itself in a manner consistent with the Housing New Mexico's Third-Party Code of Conduct. A copy of the Housing New Mexico Third Party Code of Conduct is posted on the Housing New Mexico website for review at https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf . Upon request by Housing New Mexico, Applicant shall disclose information that Housing New Mexico may reasonably request relating to conflicts or potential conflicts of interest.

USE OF ELECTRONIC VERSIONS OF THIS NOFA

This NOFA is being made available by electronic means. If accepted by such means, the Applicant acknowledges and accepts full responsibility to ensure that no changes are made to the NOFA. In the event of a conflict between a version of the NOFA in the Applicant's possession and the version maintained by Housing New Mexico, the version maintained by Housing New Mexico will govern.

HOME REHABILITATION PROGRAM NOTICE OF FUNDING AVAILABILITY (NOFA) FORMS

The HOME Rehabilitation Program NOFA and forms may be obtained from MFA's website under Funding Opportunities.

The Subrecipient application and project application must include all required forms, documentation, schedules, certifications listed on their respective checklists.

Any further changes to this NOFA may be made with Policy Committee review and approval.