



# HOUSING INNOVATION PROGRAM



Notice of Funding Availability  
NEW MEXICO MORTGAGE FINANCE AUTHORITY

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## PROGRAM BACKGROUND

The Housing Innovation Program provides a funding opportunity to address housing needs that are currently not being served through other Housing New Mexico programs, and a chance for eligible applicants to fund a community tailored housing solution. Through the program, Housing New Mexico looks to assist underserved populations, cultivate new partnerships, and support projects that may be scalable.

## HOUSING INNOVATION POINT OF CONTACT

Applicants should direct questions regarding the Housing Innovation Program Notice of Funding Availability (NOFA) and application to:

Daniela Freamon  
Housing New Mexico  
7425 Jefferson St. NE  
Albuquerque, NM 87109  
Phone: (505) 767-2277 or toll-free statewide (800) 444-6880  
E-mail: [dfreamon@housingnm.org](mailto:dfreamon@housingnm.org)  
TTY/Voice: 711, or if no answer  
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

**Housing New Mexico encourages applicants to discuss proposed projects with the Housing Innovation point of contact prior to submitting an application.**

## USE OF ELECTRONIC VERSIONS OF THIS NOFA AND ADDENDA

This NOFA and any addenda are only 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 or addendum. In the event of a conflict between a version of the NOFA or addendum in the applicant's possession and the version Housing New Mexico maintains, Housing New Mexico's maintained version will govern.

## FREQUENTLY ASKED QUESTIONS

In an effort to provide clarification or answers to questions about this NOFA and addenda, Housing New Mexico will publish all responses to any inquiries in the "Frequently Asked Questions" section on Housing New Mexico's website at: <https://housingnm.org/rfps/rfps-rfqqs>.

## APPLICATION SUBMISSION

Housing New Mexico must receive applications no later than 60 days prior to a regularly scheduled meeting of the Housing New Mexico Board of Directors to be considered at that meeting. Housing New Mexico holds its Board of Directors meetings every third Wednesday of the month. Housing New Mexico will treat all applications submitted by the deadline for a particular meeting of the Housing New Mexico Board of Directors as one funding round and evaluate concurrently.

Applications submitted for a prior funding round, but which are still pending, will be given priority over new applications. If sufficient funds are not available to fund all projects in a funding round that meet the requirements outlined in this NOFA, Housing New Mexico will recommend the project receiving the highest score to the Board of

Directors for approval, followed by the next highest scoring project, etc. until the remaining funds are no longer sufficient to fulfill the next highest scoring project's requested amount. In the event of a tie score, staff will recommend approval based on need as determined by staff. The required application forms will be provided electronically and may be downloaded from Housing New Mexico's website at: <https://housingnm.org/rfps/rfps-rfq.s>.

Applications must be submitted via email to [dfreamon@housingnm.org](mailto:dfreamon@housingnm.org) and include "Housing Innovation Program Application Submission" in the subject line.

## ELIGIBLE APPLICANTS

Eligible applicants include, but are not limited to, non-profit organizations, for-profit organizations, governmental housing agencies or authorities, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies, developers, builders, corporations, limited liability companies, partnerships, joint ventures, syndicates, associations, or other entities that can assume contractual liability and legal responsibility by executing one or more written agreements entered into with Housing New Mexico. **Individual applicants are not eligible for the Housing Innovation Program.**

## ELIGIBLE ACTIVITIES

Only projects capital in nature will be considered for award and all activities must directly benefit a low- or moderate-income household. Awards of New Mexico Housing Trust Fund funding will only be made for activities eligible under the New Mexico Housing Trust Fund Rules, which include:

- costs of infrastructure and infrastructure purposes
- financing in whole or in part through loans or grants, the costs necessary to support, or own affordable housing projects
- the acquisition, construction, rehabilitation, renovation, reconstruction, alteration or repair of residential housing, multi-family housing, congregate housing facilities, transitional housing facilities
- buildings for use as or that will provide affordable housing

**Awards of other funding sources will only be made to activities eligible under the funding source, and any associated laws, rules, or contractual requirements.**

**Housing New Mexico encourages applicants to discuss proposed projects with the Housing Innovation point of contact prior to submitting an application.**

## INELIGIBLE ACTIVITIES

Projects that could be eligible for funding through other, current Housing New Mexico programs will not be considered for an award through the Housing Innovation Program. Additionally, funding for operational support, activities that are refinance or debt payoff in nature, seed funding, or capacity building are ineligible under the Housing Innovation NOFA.

## ELIGIBLE EXPENSES

Housing Innovation Program funds may only cover reasonable and customary costs that are directly attributable and traceable to the awarded housing projects that benefit low- or moderate-income New Mexicans.

## ELIGIBLE BENEFICIARIES

Only low- or moderate-income households, as defined as a household with an annual income at or below 150% area median income, may be the beneficiaries of any Housing Innovation Program project.

## FUNDING SOURCES

The New Mexico Housing Trust Fund is the primary funding source for the Housing Innovation Program. However, Housing New Mexico may use other sources of funds to make awards through the Housing Innovation Program. Awards made with other sources of funds are subject to additional restrictions or regulations, as required by the funding sources.

## FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds, and as applicable, the New Mexico Housing Trust Fund Act and Rules , or any laws, rules, or contractual requirements of the funding source. **Housing New Mexico will award no more than \$500,000 to eligible applicants.** Applicants must provide evidence and supporting documentation to justify that the award request is reasonable. Housing New Mexico will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability.

Upon expenditure of 80% of a New Mexico Housing Trust Fund award, demonstration of successful project implementation, and provided that funds remain available to award under the NOFA, eligible applicants may request additional funding up to \$500,000 to support continued project implementation or a subsequent project phase.

Housing New Mexico may make awards in the form of loans or grants. The terms and conditions for each award will be based on the financing needs of each project or activity. Loan terms and conditions may range from no interest, deferred payment loans to a revolving line of credit loans to loans with near-market interest rates and terms.

**Housing New Mexico reserves the right to award funding to applicants with contingencies.**

## AFFORDABILITY PERIOD

All awards will be subject to affordability restrictions which may include recording of Land Use Restriction Agreements (LURAs), Restrictive Covenants Agreements (RCAs) or an affordability period. Housing New Mexico, in its discretion, may increase the Affordability Period in any contract, note, mortgage, loan agreement, land use restriction agreement, restrictive covenant agreements and/or any other agreement which the Governmental Entity and/or Housing New Mexico may enter into with any successful applicant or beneficiary.

Award Amount	Affordability Period
\$1 to \$14,999	Five years
\$15,000 to \$40,000	Ten years
\$40,001 to \$100,000	Fifteen years

More than \$100,000	Twenty years
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## CANCELLATION OF NOTICE OF FUNDING AVAILABILITY OR REJECTION OF APPLICATIONS

Housing New Mexico may cancel this NOFA at any time for any reason and may reject all applications (or any application) which are/is not responsive.

## EVALUATION OF APPLICATIONS AND DOCUMENTATION

Housing New Mexico staff will evaluate applications using the Threshold Requirements and Ranking Criteria as described in the following sections. Housing New Mexico will follow its own policies and procedures to obtain the necessary award approvals. Housing New Mexico reserves the right to make final award decisions at its discretion.

Staff may contact applicants for clarification of information provided. Housing New Mexico will enter into loan or grant agreements and related agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the Housing Innovation Program. All loans, grants and related agreements will include provisions for adequate security against the loss of Housing Innovation 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.

## THRESHOLD REQUIREMENTS

To be considered for funding, an applicant must demonstrate that it meets each of the following application and project threshold requirements:

- The application is complete and legible and includes all required documents.
- The application complies with all applicable requirements established in this NOFA, and any applicable addendum.
- The applicant identifies a health, safety, or housing concern that could not otherwise be addressed through Housing New Mexico's other programs and proposes a project that will address that concern.
- The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and/or administering an affordable housing project.
- The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.

Additionally, applicants must satisfy and evidence with the required supporting documents the following entity eligibility threshold requirements:

Applicant Threshold Requirements	Required Supporting Documents
Organized under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing.	<ul style="list-style-type: none"> <li>• Applicant's Board of Director's or governing body information</li> <li>• Organization Mission Statement</li> <li>• Current Business License</li> </ul>

<p>A functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles (GAAP), Government Auditing Standards (GAS) or has designated an entity as their fiscal agent that will maintain such an accounting system consistent with GAAP or GAS.</p>	<p>Current financial audit or audited financial statements conducted in accordance with Government Auditing Standards (GAS) or Generally Accepting Auditing Principles (GAAP). The audit must include the following:</p>
<p>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 auditor, governmental entity, Housing New Mexico, or otherwise, stating that the findings are in the process of being resolved.</p>	<ul style="list-style-type: none"> <li>• Auditor's report on the financial statements</li> <li>• Review of internal control structure disclosing reportable conditions with acknowledgement of material/non-material weaknesses</li> <li>• Report on the Schedule of Federal and Financial Assistance or Federal awards, if applicable</li> <li>• Management letter and agency response to items in the letter.</li> <li>• Report on fraud, abuse or other infraction</li> </ul> <p>If the applicant is not legally required to have a financial audit or audited financial statements, it must sign and provide the Accounting Practices Certification, along with other evidence of its capacity to administer a Housing Innovation Program award. Other evidence may include a contract with a bookkeeper or accounting firm, or summary of its financial management experience and capacity.</p> <p>If the applicant does not have a financial audit or audited financial statements, or has significant unresolved findings, Housing New Mexico may require a designated fiscal agent be appointed by the applicant in which case, the following must be provided:</p> <ul style="list-style-type: none"> <li>• Financial audit or audited financial statements that contain the items listed above for the fiscal agent.</li> <li>• A contract between the applicant and the fiscal agent that contains the responsibilities of the fiscal agent and the authority to act on behalf of the applicant.</li> </ul>
<p>Not having been suspended, debarred or otherwise restricted by any department or agency of the federal government, any state or local government, or Housing New Mexico from doing business with such department,</p>	<ul style="list-style-type: none"> <li>• Good standing certification</li> <li>• Reputation certification</li> </ul>

agency, or authority because of misconduct or alleged misconduct.	These forms can be downloaded from the Housing Innovation NOFA webpage.
Not having defaulted on any obligation covered by a surety or performance bond.	
Additional Threshold Requirements for Non-Profit Applicants	
501(c)(3) tax status;	<ul style="list-style-type: none"><li>501(c)(3) certificate from the IRS</li></ul>
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; and	<ul style="list-style-type: none"><li>New Mexico proof of current registration as a charitable organization by the New Mexico Attorney General’s office</li></ul>
Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.	<ul style="list-style-type: none"><li>Articles of incorporation or charter that evidence that no part of the nonprofits net earnings inures to the benefit of any member, founder, contributor or individual</li></ul>

Applications from Applicants that do not meet the Threshold Requirements will be rejected.

#### RANKING CRITERIA

Applicants will be scored on the following ranking criteria below. Applicants must score a minimum of 70% of the total points possible to be considered for funding.

Criteria	Points Possible
<b>1. Innovative, sustainable, and scalable housing solution</b> Housing New Mexico will evaluate the extent to which the applicant's proposed project is an innovative, sustainable and scalable housing solution. Housing New Mexico seeks to award funding to projects that address housing concerns in a novel way that also promote long term housing affordability. Further, Housing New Mexico aims to award funding to projects that could be scaled up to either reach more beneficiaries or be implemented across a wide geographical area.	25
<b>2. Readiness to proceed</b> Housing New Mexico will evaluate the extent to which the applicant's proposed project is ready to proceed. Housing New Mexico intends to prioritize funding for projects that demonstrate "shovel readiness".	13
Points are awarded to projects that evidence readiness to proceed with bids, architectural plans, evidence of site control, project timeline, or other documentation.	12
<b>3. Financial feasibility</b> Housing New Mexico will evaluate the extent to which the applicant's proposed project is financially feasible through a project budget and/or pro forma, and/or other supporting documents including evidence of ability to complete the project. Further Housing New Mexico will evaluate whether the award amount requested is sufficiently justified.	10
	20



Points are awarded to projects that provide leverage funding for their project.	5	
Points are awarded to projects that seek an award in the form of a loan rather than a grant.	5	
<b>4. Project Design</b> Housing New Mexico will evaluate the extent to which the applicant's project design <b>aligns with the appropriating language and</b> includes the following elements: target population, income limits, long-term affordability protection, and service delivery structure.		<b>20</b>
<b>5. Tribal or rural priority</b> Points are awarded to projects that will serve residents in rural communities (defined as communities outside the cities of Albuquerque, Las Cruces, Santa Fe, and Farmington) and/or residents of Tribal areas.		<b>5</b>
<b>6. Resident Business</b> Points are awarded to applicants that are a New Mexico Resident Business which for the purpose of this NOFA is defined as one in which the majority of the applicant's employees who would perform services related to the project reside in New Mexico.		<b>5</b>
<b>Total</b>		<b>100</b>

## APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

All applicants must complete **Exhibit 1: Housing Innovation Application Form** and provide all required documents included on the **Exhibit 2: Application Required Documents Checklist**, which are located at this link on Housing New Mexico's website: <https://housingnm.org/rfps/rfps-rfq.s>.

## INCURRED EXPENSES

Housing New Mexico will not be responsible for any expenses incurred by an applicant in applying for Housing Innovation 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.

## AWARD NOTICE

Housing New Mexico will provide written notice of the award to all applicants within 15 days of the date of the award. The award will be contingent upon signing final loan/grant documents.

## APPLICATION CONFIDENTIALITY

Housing New Mexico will not disclose any information regarding a proposed application provided during such inquiries and contacts to any third party, except as may be required under Housing New Mexico's Request to Inspect Documents policy. After the application deadline and until awards are made and notice given to all applicants, Housing New Mexico will not disclose the contents of any application or discuss the contents of any proposal with an applicant or potential applicant, so as to make the contents of any offer available to competing or potential applicants, except as may be required under Housing New Mexico's Request to Inspect Documents policy.

## IRREGULARITIES IN APPLICATIONS

Housing New Mexico may waive technical irregularities in the form of proposal of any applicant selected for award which do not alter the price, quality or quantity of the services offered.

## 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 will 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 the Housing Innovation Program application and who has furnished, when required, information and data to prove that the applicant's financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this NOFA.

## 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 to [dfreamon@housingnm.org](mailto:dfreamon@housingnm.org) within five 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 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 make a final determination. The protest is then heard by the applicable Board Committee. The Board Committee's recommendation is then taken to the full Board for approval. Housing New Mexico will issue a notice of determination relating to the protest within a reasonable period of time after submission of the protest. The determination by Housing New Mexico shall be final.

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.

## THIRD-PARTY CODE OF CONDUCT

Applicant will conduct themselves in a manner consistent with Housing New Mexico's Third-Party Code of Conduct which is located on Housing New Mexico's website at:

[https://housingnm.org/uploads/documents/Third\\_Party\\_Code\\_of\\_Conduct.pdf](https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf).

Applicant will promptly disclose information Housing New Mexico may reasonably request relating to conflicts or potential conflicts of interest.

