Notice of Funding Availability

NEW MEXICO Mortgage Finanace Authority

HOusing Innovation Program

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# Program Background

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

# MFA Point of Contact

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

Daniela Freamon

New Mexico Mortgage Finance Authority

344 Fourth Street SW

Albuquerque, NM 87102

Phone: (505) 767-2277or toll-free statewide (800) 444-6880

E-mail: dfreamon@housingnm.org

TTY/Voice: 711, or if no answer

1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

**Prior to application submission, MFA encourages inquiries and contacts with its contact person from prospective applicants regarding the NOFA and/or sound housing project policies and procedures.**

# 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 MFA maintains, MFA’s maintained version will govern.

# Frequently Asked Questions

In an effort to provide clarification or answers to questions about this NOFA and addenda, MFA will publish all responses to any inquiries in the “Frequently Asked Questions” section on MFA’s website at: <https://housingnm.org/rfps/rfps-rfqs>.

# Application Submission

MFA must receive applications no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors to be considered at that meeting. MFA holds its Board of Directors meetings every third Wednesday of the month. MFA will treat all applications submitted by the deadline for a particular meeting of the MFA 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, MFA 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. The required application forms will be provided electronically and may be downloaded from MFA’s website at: <https://housingnm.org/rfps/rfps-rfqs>.

Applications must be submitted via email to [dfreamon@housingnm.org](dfreamon%40housingnm.org%20) 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 MFA. **Individual applicants are not eligible for the Housing Innovation Program.**

As part of the application, eligible applicants must evidence the following:

* Organization under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing, as applicable
* 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
* No significant financial audit findings, and no significant outstanding or unresolved monitoring findings from any governmental entity, or from MFA, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA, or otherwise, stating that the findings are in the process of being resolved
* 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
* Not having been defaulted on any obligation covered by a surety or performance bond.

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

* 501(c)(3) tax status;
* 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
* Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

# 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 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, operate 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

Examples of past awards include funding for a roof repair and replacement program, homeless shelter expansion, accessibility improvements for senior homeowners, and scattered sight transitional housing for participants of a workforce integration program.

**Planning activities, funding for operational expenses, and housing development projects that could be eligible for funding through MFA’s housing development programs will not be considered for an award through the Housing Innovation Program.**

# Eligible Expenses

Housing Innovation Program funds may only cover reasonable and customary costs that are directly attributable and traceable to the awarded project.

# 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 Terms and Conditions

All awards will be subject to the availability of funds and the New Mexico Housing Trust Fund Act[[1]](#footnote-2) and Rules[[2]](#footnote-3). **MFA will award no more than $500,000 to eligible applicants. Upon expenditure of 80% of its 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. Applicants must provide evidence and supporting documentation to justify that the award request is reasonable. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability.**

MFA 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 revolving line of credit loans to loans with near-market interest rates and terms.

All awards may be secured by mortgages and/or other appropriate liens/security interests. The recording of Land Use Restriction Agreements (LURAs) may be required for all awards.

# Cancellation of Notice of Funding Availability or Rejection of Applications

MFA 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

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

Staff may contact applicants for clarification of information provided. In the event of a tie score, staff will recommend approval based on need as determined by staff. MFA 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 first demonstrate that it meets each of the following threshold requirements:

* The applicant identifies a health, safety, or housing opportunity concern that could not otherwise be addressed through MFA’s other programs and proposes a project that will address that concern.
* The application is complete and legible, including all required documents, and is submitted by the application deadline.
* The application complies with all applicable requirements established in this NOFA, and any applicable addendum.
* 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.

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.

|  |  |
| --- | --- |
| **Criteria** | **Points Possible** |
| 1. **Innovative, sustainable, and scalable housing solution**

MFA will evaluate the extent to which the applicant’s proposed project is an innovative, sustainable and scalable housing solution. MFA seeks to award funding to projects that address housing concerns in a novel way that also promote long term housing affordability. Further, MFA aims to award funding to projects that could be scaled up to either reach more beneficiaries or be implemented across a wide geographical area.  | 20 |
| 1. **Readiness to proceed**

MFA will evaluate the extent to which the applicant’s proposed project is ready to proceed. MFA intents to prioritize funding for projects that demonstrate “shovel readiness”. | 20 |
| 1. **Financial feasibility**

MFA will evaluate the extent to which the applicant’s proposed project is financially feasible through a project budget and/or pro forma, the evidence of secure match funding, and/or other supporting documents. Further MFA will evaluate whether the award amount requested is sufficiently justified. | 20 |
| 1. **Project Design**

MFA will evaluate the extent to which the applicant’s project design includes the following elements: income limits, long-term affordability protection, service delivery structure, and completion schedule. | 20 |
| 1. **Tribal or rural priority**

MFA will evaluate the extent to which an applicant’s proposed project 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. | 15 |
| 1. **Resident Business**

MFA will evaluate whether the applicant is 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.  | 5 |

**MFA reserves the right to award funding to applicants with contingencies, including requirements to impose specific measures to ensure long term affordability.**

# 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 MFA’s website: <https://housingnm.org/rfps/rfps-rfqs>.

# Incurred Expenses

MFA 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

MFA 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

MFA 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 MFA’s Request to Inspect Documents policy. After the application deadline and until awards are made and notice given to all applicants, MFA 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 MFA’s Request to Inspect Documents policy.

After awards have been made and notice given to all applicants, all applications will be available and open to the public for review.

# Irregularities in Applications

MFA 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 **MFA will award no more than $500,000 to eligible applicants. Upon expenditure of 80% of its 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. Applicants must provide evidence and supporting documentation to justify that the award request is reasonable. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability.**

 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 MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the NOFA, including MFA’s evaluation of proposals.

The protest must be delivered to MFA via e-mail to 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, MFA 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 MFA 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. MFA will issue a notice of determination relating to the protest within a reasonable period of time after submission of the protest. The determination by MFA shall be final.

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of MFA’s Board of Directors, or any MFA 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 MFA Board of Directors or MFA 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 MFA’s Third-Party Code of Conduct which is located on MFA’s website at: <https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf>.

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

1. New Mexico Housing Trust Fund Act: <https://housingnm.org/uploads/documents/5.2.pdf> [↑](#footnote-ref-2)
2. New Mexico Housing Trust Fund Rules: <https://housingnm.org/uploads/documents/2020_NM_HTF_Rules.pdf> [↑](#footnote-ref-3)