



HOUSING INNOVATION PROGRAM



Notice of Funding Availability
NEW MEXICO MORTGAGE FINANCE AUTHORITY

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Program Background

The Housing Innovation Program offers a resource for eligible applicants to fund housing projects for which there is a lack of other funding sources and an unmet need. The intention of this program is to spur innovative housing projects and create an opportunity to test novel housing solutions. MFA hopes that this program is a chance for applicants to tailor responses to housing needs in their community. Further, MFA is looking to applicants to propose projects that may be scalable and have the potential to reach residents statewide.

Funding Sources and the Use of Addenda

The Housing Innovation Program may fund projects from a variety of funding sources, including but not limited to MFA's Housing Opportunity Fund, the New Mexico Housing Trust Fund, and state and federal allocations. Thus, program parameters will be subject to the funding source regulations which are detailed in an addendum published on MFA's website here: <https://housingnm.org/housing-innovation-program>.

MFA Point of Contact

Applicants are encouraged to direct questions regarding the Housing Innovation Program NOFA and Application Guidelines to:

Sonja Unrau
New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
Phone: (505) 767-2277 or toll-free statewide (800) 444-6880
E-mail: housinginnovationprogram@housingnm.org
TTY/Voice: 711, or if no answer
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Use of Electronic Versions of this NOFA and addenda

This NOFA and addenda are 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 or addendum. In the event of a conflict between a version of the NOFA or addendum in the applicant's possession and the version maintained by MFA, the version maintained by MFA will govern.

Frequently Asked Questions

In an effort to provide clarification or answers to questions about this NOFA and addenda, MFA will publish all response to any inquiries in the "Frequently Asked Questions" section on MFA's website at: <https://housingnm.org/housing-innovation-program>.

Application Submission

Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. All applications submitted by the deadline for a

particular meeting of the MFA Board of Directors will be treated as one funding round and evaluated concurrently.

Applications which were 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, the project receiving the highest score will be recommended 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/housing-innovation-program>.

Applications must be submitted via email to housinginnovationprogram@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, developer, 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.

Refer to active addendum for additional funding source requirements related to eligible applicants.

Eligible Activities

The Housing Innovation Program funding may be used to assist in financing a wide range of activities, capital and non-capital projects, to provide affordable housing for which other funding is not available. MFA encourages contact and inquiries from potential applicants prior to and during application preparation to help assure that proposed activities are eligible.

Eligible activities for which an applicant may apply include, but are not limited to, 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, or buildings for use as or that will provide affordable housing.

Examples of non-capital projects include, but are not limited to, housing counseling activities, such as support for housing choice voucher holders or support for homeownership sustainability, planning activities to evaluate local zoning and land use policies that are barriers to housing development, housing stability services.

Refer to active addendum for additional funding source requirements related to eligible activities.

Eligible Expenses

Housing Innovation Program funds may be used only for reasonable and customary costs that are directly attributable and traceable to the awarded project. For capital projects these costs may include the development, acquisition, construction, rehabilitation, and/or preservation of affordable housing. For non-capital projects, the service delivery cost may be an eligible expense.

Refer to active addendum for additional funding source requirements related to eligible expenses.

Eligible Beneficiaries

Per the MFA Act and Rules, only low- or moderate-income household or individuals may be the beneficiaries of any Housing Innovation Program projects.

Refer to active addendum for additional funding source requirements related to eligible beneficiaries.

Funding Terms and Conditions

All awards will be subject to the availability of funds, applicable law, and funding source regulation. 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.

Awards will be made in the form of loans or grants, which may be for interim and/or permanent financing. 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 loans will be secured by mortgages and/or other appropriate liens/security interests. The recording of Land Use Restriction Agreements (LURAs) will be required for all loans, and in some cases, grants. LURAs will remain in place throughout any required affordability period regardless of the status of the loan or changes in ownership, unless equal or more restrictive restrictions are in place from other funding sources or imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Refer to active addendum for additional funding source requirements related to funding terms and conditions.

Funding Limits and Restrictions

Housing Innovation Program awards are contingent on sufficient appropriations and are further subject to applicable law and funding source regulation. If these are not available any award or other agreement between MFA and any successful, eligible applicant will terminate upon written notice being given by MFA to the applicant. MFA's decision as to whether sufficient appropriations are available or whether Housing Innovation Program awards may be subject to applicable law will be accepted by any applicant and will be final.

MFA, in its discretion, may set limits on the amount of Housing Innovation Program funding to be awarded per application, per NOFA, per NOFA Addendum, per quarter, per year, or otherwise. See MFA's website at: <https://housingnm.org/housing-innovation-program>.

Refer to active addendum for additional funding source requirements related to funding limits and restrictions.

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’s proposed project is not an activity that MFA could fund through its other programs, where traditional housing development financing is available, or through funding available from other entities.
- 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 that do not meet all of the threshold requirements will not receive further consideration for funding and will be returned to the applicant.

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.

Criterion	Points Possible
1. Project addresses health, safety, or housing stability concerns The project is evaluated on the extent to which it addresses health, safety, or housing stability concerns. For example, a project may improve physical housing conditions that pose health and safety risks or address issues such as overcrowding. Projects that mitigate an urgent or severe health, safety, or housing stability concern will receive full points.	13
2. Project addresses housing needs of vulnerable or underserved populations The project is evaluated on the extent to which it will address the housing needs of vulnerable or underserved populations, which may include, but is not limited to, residents of tribal land, residents of rural New Mexico, or populations who are homeless or at risk of homelessness. Projects that address housing needs of vulnerable or underserved populations will receive full points.	13
3. Project addresses an identified, unmet housing need	13

<p>The project is evaluated on the extent to which it addresses an identified, unmet housing need in a community. Projects that address an identified, unmet housing need will receive full points.</p>	
<p>4. Project proposes an innovated and scalable housing solution The project is evaluated on the extent to which it proposes an innovative and scalable housing solution. MFA seeks to award funding to projects that address housing concerns in a novel way, including through new partnerships. Further, MFA seeks to award funding to projects that could be scaled up to either reach more beneficiaries or be implemented across a wide geographical area. Projects that propose an innovative and scalable housing solution will receive full points.</p>	14
<p>5. Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be implemented immediately upon award will receive full points.</p>	14
<p>6. Financial feasibility and sustainability The project is evaluated on its financial feasibility and sustainability. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.</p>	14
<p>7. Project Design and Implementation Plan The project is evaluated on the project design and implementation plan presented in the application form, including method for determining eligible beneficiaries, service delivery or implementation plan, and the incorporation of any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.</p>	14
<p>8. Resident Business 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. Applicants who can a) evidence that the applicant is licensed to do business in New Mexico; and, b) represent that the majority of the applicant’s employees who would perform the services related to the project reside in New Mexico will receive full points.</p>	5

Application Format and Instructions to Applicants

All applicants must complete the Housing Innovation Application Form and provide all required documents included on the Application Required Documents Checklist. The Application Form and the Application Required Document Checklist are located on MFA’s website at: <https://housingnm.org/housing-innovation-program>.

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

Prior to the application deadline, MFA encourages inquiries and contacts with its Contact Person from potential applicants regarding the NOFA and/or sound housing project policies and procedures. 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 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 award of a loan or grant pursuant to the Housing Innovation Program application process may protest to MFA. The protest must be written and addressed to the Contact Person. The protest must be delivered to MFA within 5 business days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person will 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 5 business days of notice of protest. A committee appointed by MFA's Board Chair will review the protest and responses to the protest and, if necessary, as dictated by MFA policies and

procedures, will make a recommendation to MFA's Board of Directors regarding the disposition of the protest.

MFA's Board of Directors or their committee assignee will make a final determination regarding the disposition of the protest. Applicants or their representatives will not communicate with MFA's Board of Directors, the committee or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of MFA's Board of Directors. A proposal will be deemed ineligible if the applicant or any person or entity acting on behalf of applicant attempts to influence members of MFA's Board of Directors, the committee or staff members during any portion of the 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.