

Housing New Mexico MFA

Rehab-2-Rental
Notice of Funding Availability

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Agenda



Program Components

Service Provider Application Requirements

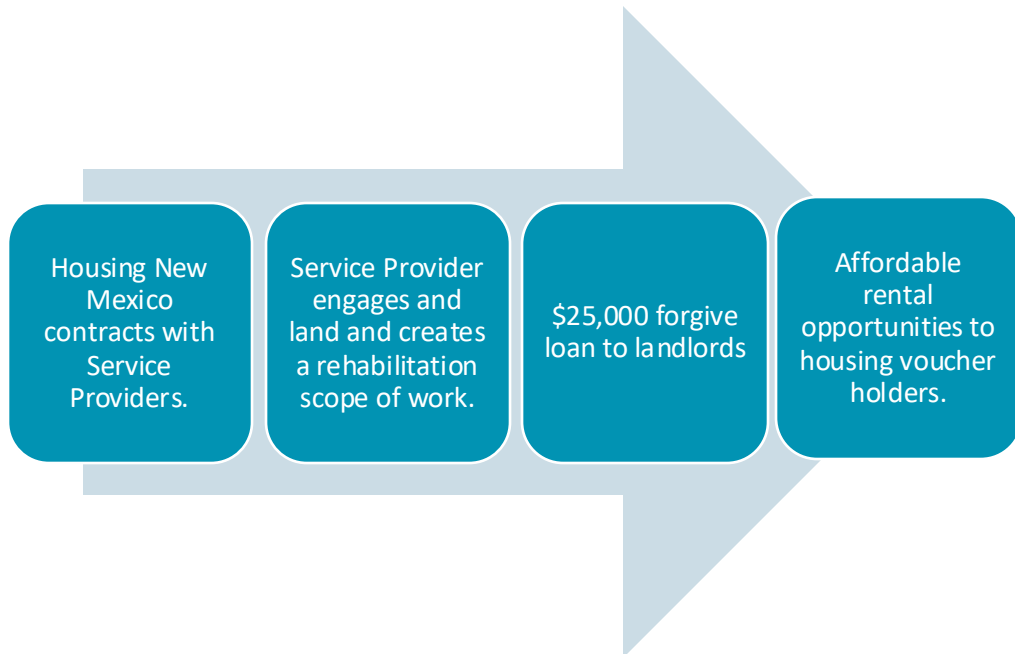
Questions

Key Definitions

Term	Definition
TENANT-BASED HOUSING VOUCHER HOLDER	A tenant-based housing voucher holder refers to an individual or family who has been issued a housing voucher under a government assistance program, including but not limited to, the Section 8 Housing Choice Voucher Program, Linkages, Emergency Solutions Grant (ESG), and municipal or county programs, that provides rental assistance for private housing.
HOUSING VOUCHER ADMINISTRATOR	An organization or agency responsible for managing and overseeing housing voucher programs. The Housing Voucher Administrator's role will include ensuring unit and tenant compliance with program rules, unit inspections, and assisting eligible low-income households obtain affordable housing.
SERVICE PROVIDER	An organization or entity that collaborates with a Housing Voucher Administrator to rehabilitate residential properties so they can be rented to tenants utilizing housing vouchers. Housing Voucher Administrators can act as Service Providers.

Rehab-2-Rental Overview

Housing New Mexico, in partnership with State of New Mexico Department of Finance and Administration (DFA) is piloting the Rehab-2-Rental program with the goal of **expanding housing opportunities and enhancing the quality of the housing stock for tenant-based housing voucher holders in New Mexico by rehabilitating single-family and small multifamily rental properties.**



Rehab-2-Rental will offer forgivable loans of up to \$25,000 per unit to landlords who currently lease or agrees to lease their properties to housing voucher holders for 60 months. The loans will facilitate necessary improvements to their rental unit in accordance with defined Housing Quality Standards.

Eligible Service Provider Entities

- Local governments
- Non-profit organizations
- For-profit organizations
- Public Housing Authorities (PHA)
- Regional housing authorities
- Tribal governments
- Tribal housing agencies
- Partnerships
- Joint ventures
- Other entities that can assume contractual liability and legal responsibility by entering into one or more written agreements with Housing New Mexico.

Eligible applicants that do not administer tenant-based housing vouchers must partner with such entities, including, a public or Tribal housing authority, a Linkages service provider, an Emergency Solutions Grant (ESG) service provider, a Housing for People with HIV/AIDs (HOPWA) service provider, municipal or county voucher program administrators, or other tenant-based housing voucher administrators. Housing New Mexico may assist with partnering entities.

Notice of Funding Availability Structure



Applicant submits applications to become a Rehab-2-Rental Service Provider.

Housing New Mexico approves Service Provider to participate in the program.

Service provider is approved to access R2R funding on a project-by-project basis.

Considerations

- Limited to structures with up to 4 units.
 - Rehabilitation must not to exceed \$25,000 per single family unit, including labor and materials.
 - Rehabilitation must not to exceed \$50,000 per duplex/triplex/quad plex, including labor and materials
- Projects should not be substantial rehabilitation.
- Scope of work cannot include property outside of home, including landscaping.
- Service provider may have no more than five active projects at one time.
- Manufactured/mobile homes from pre-1978 are ineligible.

Project Award Maximums and Restrictions

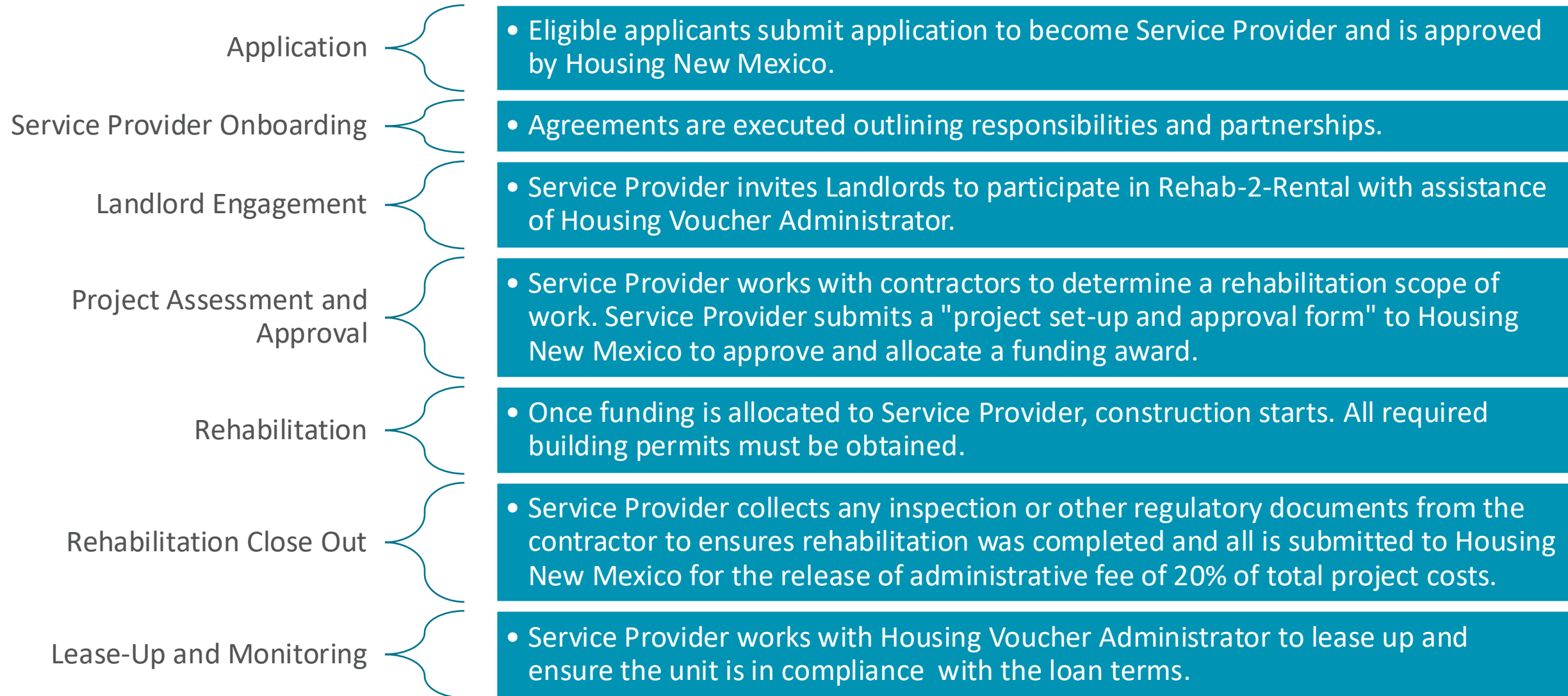
Structure	Award Maximum
Single Family	\$25,000
Duplex	\$50,000
Triplex	
Fourplex	

Award Amount	Restricted Unit Requirement
\$25,000	1 unit
>\$25,000 - \$50,000	2 units

Examples:

- \$25,000 is awarded to a duplex for a roof replacement that impacts both units. One unit is required to be restricted to a housing voucher household.
- \$40,000 is a to a duplex for a roof replacement and improvements to stairs that impacts both units. Two units are required to be restricted to housing voucher households.

Program Structure



Service Provider Scope of Work

LANDLORD
OUTREACH AND
ENGAGEMENT

LANDLORD
RESTRICTIVE
COVENANT
AGREEMENT

CONTRACTORS
ENGAGEMENT

UNIT ASSESSMENT
AND PROJECT SET-
UP

BUDGET
MANAGEMENT

PROJECT
COMPLETION AND
DOCUMENTATION

MONITORING

Restrictive Covenants/Forgivable Loan Terms

- Loan about will be forgiven on a pro-rata basis over 60 months (5 years) at a rate of 1.67% per month, so long as the Landlord rents their property to a housing voucher holder.
- Landlords will receive credit toward loan forgiveness in cases where tenant has a housing voucher at the time of lease-up, but whose voucher may have expired while continuing to occupy the units.
- Landlords may also receive credit toward forgiveness for up to one month between tenancy.
- In the event a Landlord does not fulfill the Restrictive Covent Agreement terms within 72 months, Service Providers will be responsible determining the Landlord's repayment obligation beginning within 60 days of noncompliance.
- Service Providers will collect payment from the Landlord based on the pro-rata rates. If a Landlord fails to pay the obligation, Service Providers must place a lien on the property for the obligation.

Example: A landlord received a \$25,000 loan. After 72 months the landlord has completed 30 months compliant months. The landlord would then be required to pay back \$12,500.

Minimum Qualifications

Organized under state, local, or tribal laws

- Applicant's Board of Director's or governing body information
- Organization Mission Statement
- Current Business License

Have a functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles

- Current financial audit or audited financial statements
- If the applicant does not have a financial audit or audited financial statements, Housing New Mexico requires a designated fiscal agent

Have not been suspended, debarred or otherwise restricted

- Good Standing and Reputation Certification and Acknowledgment

Current Housing New Mexico service provider Applicants are NOT REQUIRED to complete this section as these qualification and requirements have been met through other funding procurement.

Additional Requires for Non-Profits

501(c)(3) tax status

- 501(c)(3) certificate from the IRS

Compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq.

- New Mexico proof of current registration as a charitable organization by the New Mexico Attorney General's office

Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

- 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

Information Required for All Applicants

Does your organization administer tenant-based housing vouchers?

- Specify which housing voucher program you administer. (E.G. Linkages and ESG)
- List the housing standards for each voucher program administered. (E.G. NSPIRE)

To be eligible to administer the Rehab-2-Rental, Service Providers must partner with a Housing Voucher Administrator

- Partnership Agreement (Appendix B) signed by both parties

Does your organization have a pipeline of rehabilitation projects for Rehab-2-Rental?

- A pipeline is not mandatory but encouraged.

Information Required for All Applicants

Describe how your organization intends to engage landlords to participate in the Rehab-2-Rental Pilot Program.

Describe how your organization intends to monitor properties rehabilitated through the Rehab-2-Rental Pilot Program to ensure fulfillment of the 60-month affordability period.

If the Housing Quality Standards your organization is following requires the prioritization of homes based on needs, how would your organization implement that requirement.

Information Required for All Applicants

How does your organization intend to engage contractors?

- ☐ We have contractors on staff to carry out rehabilitation.
- ☐ We will bid for contractors to “pre-qualify” rehabilitation for multiple projects.
- ☐ We will allow homeowners to seek bids from licensed contractors to conduct work on their home.
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- ☐ Other:

Required information for Contractors

- ☐ New Mexico Contractors License
- ☐ Insurance Bonds - commercial general liability insurance policy
- ☐ Insurance Bonds - Workers Compensation and Auto Insurance
- ☐ Completed W-9: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

Questions? Comments?

This is a pilot program we are hoping can grow into a more permanent funding opportunity. We welcome feedback and questions on the program design and application to improve what we have developed so far.

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