



State and Local Fiscal Recovery Funds Notice of Funding Availability



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Introduction

MFA is pleased to announce that it is making available \$4,750,000 of funding from American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds for the purposes defined by the U.S. Department of the Treasury (Treasury) Final Rule (Final Rule) which allow state, local, and Tribal governments to respond to the severe economic impact resulting from the pandemic and resulting recession.

The entire Final Rule published by the Treasury can be found at:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>; <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

Program Background

On March 11, 2021, President Joseph R. Biden, Jr signed the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF) into law. This legislation provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

During the 2021 special session and 2022 regular session, the New Mexico legislature allocated a total of \$25 million of the state's ARPA SLFRF funding through House Bill 2 for the New Mexico Mortgage Finance Authority to acquire, build and rehabilitate, including weatherization, affordable energy efficient housing, financing and other housing services statewide, pursuant to the provisions of the New Mexico Housing Trust Fund Act and the Affordable Housing Act.

All proposed projects under this Notice of Funding Availability (NOFA) must comply with the Mortgage Finance Authority Act, the Affordable Housing Act, NM HTF Act and their associated Rules, ARPA and the SLFRF Final Rule, and all other applicable state and federal laws and regulations.

MFA Point of Contact

Applicants are encouraged to direct questions regarding the SLFRF NOFA and Application Guidelines to:

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: tchavez@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

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 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/nofa-state-and-local-recovery-funds>

Application Submission

Applications must be received no later than 45 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/nofa-state-and-local-recovery-funds>

Applications must be submitted via email to tchavez@housingnm.org and include "SLFRF Application" in the subject line.

Eligible Applicants

Applicants should have among its purposes significant activities related to providing housing or services to Persons of Low or Moderate Income.

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.

To the extent applicable, applicants will be asked to provide:

- 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 or has a fiscal agent familiar with affordable housing programs and projects.

- 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.

Affordability Period Compliance

All funding awarded will be subject to an affordability period as shall be established by MFA, provided, however, that where an affordability period is not practical, the conveyance shall not be subject to an affordability period, but nevertheless, any such conveyance may be subject to recapture on a pro-rated basis as determined by MFA in its discretion.

Eligible Beneficiaries

The SLFRF Final Rule defines eligible households and communities that are presumed to be “impacted” versus “disproportionately impacted” by the pandemic and states certain enumerated uses for each population. Impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.

Impacted Households

The households or communities presumed to be impacted include:

- Low- or moderate-income households or communities (defined as: 1) income at or below 300% of the Federal Poverty Guidelines for the household size; or 2) income at or below 65% of area median income)
- Households that experienced unemployment
- Households that experienced increased food or housing insecurity
- Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Child Care Development Fund Program, or Medicaid
- When providing affordable housing programs: households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program

Disproportionally impacted Households

The households or communities presumed to be disproportionately impacted include:

- Low-income households or communities (defined as: 1) income at or below 185% of the Federal Poverty Guidelines for the household size; or 2) income at or below 40% of area median income)
- Households residing in Qualified Census Tracts (QCTs)
- Households that qualify for certain federal benefits
- Households receiving services provided by Tribal governments
- Households residing in the U.S. territories or receiving services from these governments

Eligible Activities for Impacted Households

Awards made under this NOFA may be used for a range of affordable housing activities for impacted households that experienced a public health or negative economic impact from the pandemic. Below is a list of eligible activities, as defined in the Final Rule:

- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Emergency home repair of existing owner-occupied housing
- Emergency assistance for pressing and unavoidable household needs, e.g., private septic tank and well repair
- Home weatherization activities
- Programs or services to improve access to stable, affordable housing among individuals who are homeless, and the development of affordable housing to increase supply of affordable and high-quality living units (e.g., land acquisition, construction, pre-construction costs, operating costs, etc.)
- Development of affordable housing (including operating [Section 108](#) subsidies) and wraparound services such as behavioral health services, employment services, and other supportive services
- Other affordable housing developments targeted to specialized populations are also eligible, for example recovery housing for individuals in recovery from substance use or youths aging out of foster care
- New construction or acquisition, rehabilitation, and resale of single-family homes including manufactured housing
- Home rehabilitation and maintenance, or repair of existing owner-occupied housing
- New construction or acquisition/rehabilitation of permanent rental housing.
- New construction or acquisition/rehabilitation of housing for special needs populations including, but not limited to, transitional, group or congregate housing, and temporary housing for the homeless

Eligible Activities for Disproportionately Impacted Households

Awards made under this NOFA may be used for a range of affordable housing activities for disproportionately impacted households that experienced a public health or negative economic impact from the pandemic. Below is a list of eligible activities as defined in the Final Rule:

- Rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties to reduce their negative impact

- Costs associated with acquiring and securing legal title of vacant or abandoned properties and other costs to position the property for current or future productive use
- Removal and remediation of environmental contaminants or hazards from vacant or abandoned properties, when conducted in compliance with applicable environmental laws or regulations
- Demolition or deconstruction of vacant or abandoned buildings (including residential, commercial, or industrial buildings) paired with greening or other lot improvement as part of a strategy for neighborhood revitalization
- Greening or cleanup of vacant lots, as well as other efforts to make vacant lots safer for the surrounding community
- Conversion of vacant or abandoned properties to affordable housing
- Inspection fees and other administrative costs incurred to ensure compliance with applicable environmental laws and regulations for demolition, greening, or other remediation activities

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.

Funding Limits and Restrictions

All awarded projects must incorporate an energy-efficiency component.

Funding Limits and Restrictions

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 SLFRF 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 SLFRF funding to be awarded per application, per NOFA, per NOFA Addendum, per quarter, per year, or otherwise.

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. All loans, grants and related agreements will include provisions for adequate security against the loss of SLFRF 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 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.
- The applicant provides sufficient evidence of ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance").
- Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.

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
<p>1. Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. Enumerated uses are provided above, under <i>Eligible Activities for Impacted Households</i> and <i>Eligible Activities for Disproportionately Impacted Households</i>.</p> <p>If yes, full points can be awarded.</p> <p>If no, additional analysis will be required, based on the Final Rule, to determine eligibility and need.</p>	40
<p>2. Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.</p>	20
<p>3. Financial feasibility The project is evaluated on its financial feasibility. 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>	20
<p>4. 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, address long-term affordable housing needs for the targeted population, 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>	20

Application Format and Instructions to Applicants

All applicants must complete the SLFRF 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/nofa-state-and-local-recovery-funds>.

Incurred Expenses

MFA will not be responsible for any expenses incurred by an applicant in applying for SLFRF 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 State and Local Fiscal Recovery Funds NOFA 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

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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.