

# SINGLE FAMILY DEVELOPMENT GRANT PILOT PROGRAM

Notice of Funding Availability

NEW MEXICO MORTGAGE FINANCE AUTHORITY

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## PROGRAM BACKGROUND

The New Mexico Mortgage Finance Authority (MFA) has developed the Single Family Development Grant Pilot Program to address supply-side challenges to homeownership opportunities for low and moderate income New Mexicans. This program aims to increase the development of affordable homes for homeownership by making available flexible funding to single family development projects throughout New Mexico, including Tribal and rural communities, that are “shovel ready.” This program should primarily be used as gap funding for projects that meet the program’s threshold criteria. MFA hopes to award projects that are innovative and will overcome barriers to affordable single family housing development. This NOFA will remain relevant as long as funds are available.

## MFA POINT OF CONTACT

Applicants should direct questions regarding the Single-Family Development Grant Pilot Program Notice of Funding Availability (NOFA) and application to:

Sharlynn Rosales  
New Mexico Mortgage Finance Authority  
344 Fourth Street SW  
Albuquerque, NM 87102  
Phone: (505) 767-2282 or toll-free statewide (800) 444-6880  
E-mail: [srosales@housingnm.org](mailto:srosales@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

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-rfgs>.

## APPLICATION SUBMISSION

MFA must receive applications no later than 60 days (about 2 months) 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-rfq>.

Applications must be submitted via email to [srosales@housingnm.org](mailto:srosales@housingnm.org) and include "SF Development Grant Pilot Program Application Submission" in the subject line.

## PROJECT APPLICATIONS

Eligible applicants may submit up to two project applications for consideration at one time. Eligible applicants must submit separate applications for each project.

## 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 SF Development Grant Pilot 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 accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with 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 defaulted on any obligation covered by a surety or performance bond.

Organizational capacity based on experience and can demonstrate the successful completion of a similar project.

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:

- Cost of infrastructure and infrastructure purposes
- Cost necessary to support or own single family affordable housing projects
- Acquisition, construction, rehabilitation, renovation, reconstruction, alterations, or repair of single-family residential buildings

All activities must result in the production of single-family housing units for owner occupancy. These units may include the following types:

- **Single Family/Detached:** A structure that consists of a single living unit and is surrounded by permanent open spaces.
- **Semi-Detached:** A structure containing two separate living units, surrounded by open spaces.
- **Row/Townhouse Dwelling:** A structure containing three or more separate living units, each having individual outside entrances at ground level. Each unit may have more than one level.
- **Modular:** A factory-built structure that is assembled by connecting prefabricated sections called modules. The modules are constructed away from the building site, then delivered to the intended site to be installed on a permanent foundation.
- **Manufactured Home:** A factory-built structure that is constructed and assembled off site. It is transported in one piece and affixed to a permanent foundation at the intended site. This type of structure can be relocated to a different site.

**Walk-up/Multifamily Apartment or condominiums are ineligible for funding under this program.**

Regardless of the activity, the applicant must demonstrate how the subsidy contributes to affordability through a credit to the borrower, downpayment assistance, or similar structure proposed by the applicant.

## ELIGIBLE EXPENSES

SF Development Grant Pilot 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 SF Development Grant Pilot Program project. The income limits to be used to determine eligibility shall be those established by HUD (Housing and Urban Development) and published annually. See the following HUD website:

[https://www.huduser.gov/portal/datasets/home-datasets/files/HOME\\_IncomeLmts\\_State\\_NM\\_2022.pdf](https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_NM_2022.pdf)

## FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds and the New Mexico Housing Trust Fund Act<sup>1</sup> and Rules<sup>2</sup>. The total amount of funding available under this NOFA is \$3 million. **MFA will initially award no more than \$500,000 to eligible applicants for a single project. MFA may initially award funding for up to two projects. Upon demonstration of successful project implementation, and provided that funds remain available to award under the NOFA, eligible applicants may request additional funding. 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 the 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 SF Development Grant Pilot Program. All loans, grants and related agreements will include provisions for adequate security against the loss of Housing Innovation Program funds if 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:

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<sup>1</sup> New Mexico Housing Trust Fund Act: <https://housingnm.org/uploads/documents/5.2.pdf>

<sup>2</sup> New Mexico Housing Trust Fund Rules: [https://housingnm.org/uploads/documents/2020\\_NM\\_HTF\\_Rules.pdf](https://housingnm.org/uploads/documents/2020_NM_HTF_Rules.pdf)

- 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 applicant 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 that any award will directly contribute to the affordability of all single-family units produced.
- The applicant provides sufficient evidence that the project structure will not impair or unduly diminish the ability for beneficiary to obtain mortgage financing.
- The applicant commits to ensuring the mortgage financing that is most beneficial to the homebuyer.
- The applicant proposes a project that incorporates a minimum affordability period of 10 years.

Applications from Applicants that do not meet the Threshold Requirements, as determined by MFA, will be rejected.

**RANKING CRITERIA**

MFA staff will evaluate all submitted proposals within 15 days (about 2 weeks) of application submittal and score them in each category below, receiving a maximum of 100 points. Organizations must meet the threshold items for MFA funding consideration. Applicants must score a minimum of 70% of the total points possible to be considered for an award. Further, the applicant must score points in each Scoring Criteria category, except 5. Tribal or rural priority and 6. Resident Business, to be considered for an award.

A Scoring Committee will be identified and will review all proposals that meet the Selection Criteria threshold. The Scoring Committee will recommend selected proposals for funding which will be taken to the MFA Board for final approval.

Scoring Criteria	Points Possible
<p><b>1. Community Need</b></p> <p>MFA will evaluate the extent to which the applicant's proposed projects is dedicated to resolving one or more of the following identified housing concerns:</p> <ol style="list-style-type: none"> <li>1. Community identified to have prospective homebuyers (5)</li> <li>2. Community identified to have an aging housing stock (4)</li> <li>3. Community identified to have overcrowded homes (2)</li> <li>4. The proposed project will fulfill a housing need as stated within an approved Master Plan, Ordinance, Housing Plan, or Community Sector Plan (2)</li> </ol>	<p>15</p>

<p>5. The proposed project will incorporate sustainable design features for the homes or engage in sustainable building practices (2)</p>	
<p><b>2. Readiness to proceed</b></p> <p>MFA will evaluate the extent to which the applicant’s proposed project is ready to proceed. MFA intends to prioritize funding for projects that demonstrate “shovel readiness.” The project must meet one or more of the following to determine readiness to proceed:</p> <ol style="list-style-type: none"> <li>1. Proposed project that will increase the number of homes by connecting to existing infrastructure (5)</li> <li>2. Completion of a Phase I Environmental Site Assessment (5)</li> <li>3. All development parties overseeing the project have been identified and plans have been approved (5)</li> <li>4. The proposed project has received formal support from local authority by obtaining site control and zoning approval or other form of permissible zoning (5)</li> </ol>	<p>20</p>
<p><b>3. Financial feasibility</b></p> <p>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. Furthermore, MFA will evaluate whether the award amount requested is sufficiently justified and if other financing support has been acquired</p> <ol style="list-style-type: none"> <li>1. SF Development Grant Pilot Program funds as a percentage of total development cost (TDC)for affordable units.             <ol style="list-style-type: none"> <li>a. Zero to 10% (17)</li> <li>b. Greater than 10% to 20% (12)</li> <li>c. Greater than 20% to 30% (10)</li> <li>d. Greater than 30% to 40% (8)</li> <li>e. Greater than 40% (6)</li> </ol> </li> <li>2. Per unit subsidy is reasonable based on income level served. (7)</li> <li>3. Other gap funding (if applicable)             <ol style="list-style-type: none"> <li>a. has been committed. (6)</li> <li>b. has not formally been committed and is pending approval (2)</li> </ol> </li> </ol>	<p>30</p>
<p><b>4. Project Design</b></p> <p>MFA will evaluate the extent to which the applicant’s project design includes the following long-term affordability protection and a service delivery structure.</p> <ol style="list-style-type: none"> <li>1. Long-term affordability protection through Land Use Restriction Agreement, credit due upon sale, forgivable loan, or other structure             <ol style="list-style-type: none"> <li>a. 10 years (3)</li> <li>b. 15 years (4)</li> <li>c. 20 years (5)</li> </ol> </li> <li>2. A project homeownership implementation plan outlining the following</li> </ol>	<p>20</p>



<ul style="list-style-type: none"> <li>a. Target population and/or income (2)</li> <li>b. Marketing strategy (2)</li> <li>c. Homebuyer and homeowner education (3)</li> <li>d. Completion schedule (4)</li> <li>e. Homebuyer approval process (4)</li> </ul>	
<p><b>5. Tribal or rural priority</b></p> <p>MFA will evaluate the extent to which an applicant’s proposed project will serve residents in rural communities (defined as any of the following: a place having fewer than 2,500 inhabitants, a county or parish with an urban population of 20,000 inhabitants or less, any place with a population not in excess of 20,000 inhabitants and not located in a Metropolitan Statistical Area) and/or residents of Tribal areas. The application must include a map of the proposed project site.</p>	10
<p><b>6. Resident Business</b></p> <p>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.</p>	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 **the SF Development Grant Pilot Program Application Form and Required Document Checklist**, which is located at this link on MFA’s website: <https://housingnm.org/rfps/rfps-rfq.s>.

**INCURRED EXPENSES**

MFA will not be responsible for any expenses incurred by an applicant in applying for SF Development Grant Pilot 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 (about 2 weeks) 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 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 [rosales@housingnm.org](mailto:rosales@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

Applicants 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](https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf).

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