

2013

New Mexico Annual Action Plan



New Mexico Mortgage Finance Authority

Department of Finance and Administration



2013 NEW MEXICO ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

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I. EXECUTIVE SUMMARY

A. INTRODUCTION

In 1994, the US Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting, and citizen participation processes for four formula grant programs: Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). This process, termed the Consolidated Plan for Housing and Community Development, pursuant to the Consolidated Plan regulations (24 CFR Part 91) require preparation of an Executive Summary that must include:

- A summary of the citizen participation and consultation process
- Objectives and outcomes and an evaluation of past performance
- Summary of comments on the plan and responses to comments

As the lead agency for the Consolidated Plan, the New Mexico Mortgage Finance Authority (MFA), along with the Department of Finance and Administration, Local Government Division (DFA), hereby follows HUD's guidelines for citizen and community involvement. MFA and DFA are responsible for overseeing citizen participation requirements that accompany the Consolidated Plan and the CDBG, HOME, ESG, and HOPWA programs.

PURPOSE OF THE ANNUAL ACTION PLAN

The 2013 New Mexico Annual Action Plan for Housing and Community Development is the one-year planning document that identifies the needs and respective resource investments regarding the state's housing, homeless, non-homeless special needs populations, community development and economic development needs.

GOALS OF THE ANNUAL ACTION PLAN

The goals of the MFA and DFA are to provide decent housing, a suitable living environment and expanded economic opportunities for the state's low- and moderate-income residents. The MFA and DFA strive to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing need and creating opportunity at the individual and neighborhood levels, the MFA and DFA hope to improve the quality of life for all residents of the state. These goals are further explained as follows:

- Providing decent housing means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing.
- Providing a suitable living environment entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services.

- Expanding economic opportunities involves creating jobs that are accessible to low- and moderate-income persons; making mortgage financing available for low- and moderate-income persons at reasonable rates; providing access to credit for development activities that promote long-term economic and social viability of the community; and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally-assisted and public housing.

B. CITIZEN PARTICIPATION SUMMARY

The Consolidated Planning process has been designed to spell out New Mexico's overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low- and moderate-income persons. Interested groups and individuals have been encouraged to provide input into all aspects of New Mexico's Consolidated Planning activities, from assessing needs to setting priorities through performance evaluation.

Numerous opportunities for citizens to contribute information, ideas and opinions about ways to improve our state, promote housing affordability and enhance the delivery of public services to local residents have occurred. This includes a broad-based statewide survey of current stakeholders pertaining to New Mexico's housing and community development needs; meetings with representatives of other units of local government, including tribal groups, to address specific needs of rental, homeowner, and homeless needs; holding statewide webcasted meetings soliciting input; and having strategic policy meetings with the state's Housing Advisory Committee. The Community Development Council (CDC) conducts a minimum of four annual open public hearings which includes addressing infrastructure, public facilities, economic development, planning, housing, and Colonias needs thru the CDBG Application Hearings, Allocation of CDBG funds, reviews proposed rule changes and adopts the CDBG rule which is recorded in the New Mexico Register. Such public meetings have also been advertised in statewide publications and through e-mail blasts and web page postings, thereby reaching out to additional members of the community. The state of New Mexico continues to be committed to keeping all interested groups and individuals informed of each phase of the Consolidated Planning process and of activities being proposed or undertaken under HUD formula grant programs.

The MFA and DFA published the draft Action Plan for public review in a manner that afforded citizens, public agencies and other interested parties a reasonable opportunity to examine its contents and submit comments. The draft Plan included the amount of assistance the state agencies expect to receive and the range of activities that may be undertaken.

Furthermore, a succinct summary of the Draft Plan was published on MFA's and DFA's webpage, and notices were published in newspapers of general circulation to advise the public of the beginning of the public comment period. The summary described the Plan and included a list of the locations where the Plan was available. Documentation of this information is included in Appendix A of this Annual Action Plan. Furthermore, citizens and groups were able to obtain a reasonable number of free copies of the proposed Action Plan by contacting the MFA at 505-843-6880, or toll free at 800-444-6880, or the plan downloaded from the MFA website at <http://www.housingnm.org> or DFA's website at http://www.nmdfa.state.nm.us/2011_New_Mexico_Action_Plan_1.aspx.

C. 2013 ANNUAL ACTION PLAN SUMMARY

The state of New Mexico is required by the U.S. Department of Housing and Urban Development (HUD) to annually prepare an Action Plan for Housing and Community Development. Timely completion of the Plan in a HUD-acceptable format helps ensure continued funding of housing and community development activities throughout the state. In 2011, the state of New Mexico prepared its Five-Year Consolidated Plan, covering the program years 2011 – 2015. That Consolidated Plan contains information about demographic, economic, and housing market trends in the state; analysis of statewide affordable housing needs; findings from the citizen participation process; and an analysis of the needs of special populations.

This document represents the 2013 Annual Action Plan for allocating the State's federal block grant funds to address housing and community development needs. In order to make the document more informative for citizens and more useful for policy makers and those engaged in the production of affordable housing, the document describes actions and activities to be undertaken with resources beyond the federal grant programs and by organizations other than those administering the federal grant programs. It is intended to represent a comprehensive Action Plan for affordable housing and community development activities statewide. The goals and activities identified here can, by no means, be accomplished through the use of the federal grant programs alone. Where and when possible, the plan specifies those actions or activities that are expected to be undertaken with other resources as well as the related outcomes expected to be achieved. However, since many of these other resources are more flexible than the federal grant programs, it is difficult to estimate how these resources may be utilized.

D. EVALUATION OF PAST PERFORMANCE

The MFA's evaluation of its past performance on HOME, ESG and HOPWA has been completed in a through Consolidated Annual Performance and Evaluation Report (CAPER), most recently published in March, 2012. This document states that objectives and outcomes identified in the 2011 – 2015 Consolidated Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance. This document can be found on MFA's website at <http://www.housingnm.org/consolidated-plan>. The CAPER published by DFA regarding CDBG and the Neighborhood Stabilization Program (NSP) can be found at the following website http://www.nmdfa.state.nm.us/NM_Performance_Evaluation_Report_1.aspx.

II. ANNUAL ACTION PLAN DEVELOPMENT PROCESS

A. LEAD AGENCY AND ADMINISTERING AGENCIES

As the lead agency for the Consolidated Plan, the MFA followed the federal guidelines regarding public involvement, evaluation of quantitative and qualitative data, needs assessment, strategy development, priority setting, and the formulation of objectives. New Mexico's Consolidated Plan for 2011 – 2015 was prepared in accordance with 24 CFR Part 91, including those changes related to the Emergency Solutions Grant program, that contains the regulations setting forth the Consolidated Plan submission requirements applicable to state governments.

MFA is responsible for administering the citizen participation requirements for HOME, ESG and HOPWA. DFA administers the CDBG program, and is responsible for the citizen participation requirements for that program. Consequently, the MFA and DFA strongly encourage public participation and consultation with other organizations as an essential means of identifying community needs. The citizen participation process was formulated at the beginning of the five-year plan development process and is presented in the Citizen Participation Plan (CPP), Appendix A of this document.

The objectives of the CPP are to encourage, citizen participation and emphasize participation by persons of low- or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas and areas in which the DFA or MFA proposes to use funds.

B. AGENCY CONSULTATION ACTIVITIES

As part of the consolidated planning process, the lead agency, MFA, and the DFA, consults with a wide variety of organizations in order to gain understanding of the housing and community development stage. This represents a collective effort from a broad array of entities in New Mexico, ranging from advocacy groups for the disabled to economic development organizations. Private, non-profit and public organizations, including mayors, county supervisors, county commissioners, county managers, planning and development district administrators, councils of government, persons interested in the CDBG program, persons interested in the HOME program, persons associated with Continuum of Care organizations, and the New Mexico Department of Health were contacted through several means, e-mail correspondence, telephone interviews and face-to-face interactions. These persons were solicited to discuss housing and community development needs in New Mexico, including the ranking of those needs and activities that the MFA and DFA might consider in better addressing needs throughout the state. Further, individuals were asked to provide additional insight into prospective barriers and constraints to addressing housing and community development needs in New Mexico.

C. EFFORTS TO ENHANCE CITIZEN INVOLVEMENT

Public involvement began in August 2012 and extended over a period of several months. The key steps taken in the involvement process were a set of public input meetings during which citizens were provided the opportunity to offer feedback and input regarding the 2013 Annual Action Plan.

The public input meeting about the Action Plan was held in Albuquerque on September 5, 2012, via video broadcast i.e., webcast, live throughout the State of New Mexico, to offer the public an opportunity to offer feedback on the Plan. The meeting was advertised utilizing e-mail blast notices,

web page postings and public notices in newspapers of general circulation. Such notices were published at least 14 calendar days prior to public hearings. All notices were written in plain, simple language. The notices and this broad-based meeting were intended to allow many people to conveniently attend a public input session.

The draft report for public review was made available to the public on September 12, 2012, initiating the 30-day public review period. The draft report was available for download and printing from the MFA website: <http://www.housingnm.org/consolidated-plan>, or the DFA website:

http://www.nmdfa.state.nm.us/uploads/FileLinks/42691fe5767044eabc39bee2445204cf/DRAFT_2013_Annual_Action_Plan.pdf. One public presentation of the Draft Plan was made in Albuquerque on September 19, 2012, via video broadcast, i.e., webcast, live throughout the state of New Mexico. On October 3, 2012, the MFA Policy Committee reviewed the Draft Plan. On October 15, 2012, the draft was reviewed and approved by DFA's Community Development Council. The Draft Plan was approved by MFA's Board of Directors on October 17, 2012.

Citizen Comments: The 30-day public review period concluded on October 12, 2012. One comment was received by MFA, none by DFA.

The comment received:

I applied for weathering back at the last week of December 2011, first week of January 2012 and was told I qualified for weatherizing when it was here at Gallup. Then you moved your offices and at first they said they lost my application, so I send in another application and I stated on it that I had applied at the first of 2012. I have never heard anything about when they will be coming to Gallup New Mexico to do weatherizing. There has been trucks seen in town but I never heard anything from any one about when they will be doing weatherizing in Gallup? I would like to know about what is happening and when will they be will be getting to Gallup area? I would also if possible like to see a copy of what they have planned for McKinley County. Yours Truly, G. Buck, Gallup.

Ms. Buck's question regarding weatherization services was referred to Central New Mexico Housing Corporation (CNM), the agency that handles that program in McKinley County. CNM took over this area from another contractor on September 1, 2012, and is working through the turnover as quickly as possible. CNM verified the information on the weatherization application and determined that Ms. Buck is income eligible. She is on the waiting list for her home to be assessed, which will occur by the end of November. When the measures needed to weatherize Ms. Buck's house have been determined, the work will be done. Her home should be weatherized by the end of 2012.

D. ACTIONS TO BE TAKEN TO ENHANCE THE INSTITUTIONAL STRUCTURE AND ITS COMMUNICATION

MFA and DFA recognize that many times, the difference between success and failure in a partnership is in the ability to operate with an effective communication system. In an effort to help organizations develop that capacity, MFA and DFA will continue their outreach to a variety of agencies and entities involved with housing and community development activities in New Mexico, including the Behavioral Health Collaborative, the New Mexico Department of Mental Health, New Mexico Professional Technical Advisory Board (PTAB), Council of Governments (COG), New Mexico Environment Department (NMED), New Mexico Department of Transportation (NMDOT), USDA Rural Development (USDARD), New Mexico Aging and Long-Term Services (ALTSD), New Mexico State Fire Marshal Office (SFM), New Mexico

Department of Health (NMDOH), Children Youth and Families Department (CYFD), New Mexico Governor's Commission on Disability (GCD), New Mexico State Engineer Office (OSE), New Mexico Finance Authority (NMFA) and New Mexico Public Regulations Commission (PRC) and United States Department of Agriculture (USDA).

MFA receives input throughout the year from a number of external advisory and oversight committees comprising representatives from various housing-related industries, political parties and geographic areas of the state to advise and comment on activities undertaken with federal dollars. These committees include the Mortgage Finance Authority Act Legislative Oversight Committee, the New Mexico Housing Advisory Committee, the Homeownership Advisory Committee, the New Mexico Housing Trust Fund Advisory Committee, the Land Title Trust Fund Advisory Committee and the Tax Credit Allocation Committee. MFA will continue to work with and consult with these committees regarding activities undertaken or proposed changes in activities to be undertaken throughout the tenure of this plan.

DFA continually seeks input from the Community Development Council (CDC), Council of Governments, Mayors, County Commissioners, County Managers, Grants Administrators, other Local and County officials, as well as other state agencies on infrastructure, public facilities, planning, economic development, and housing needs across the state. DFA is also in the process of collaborating with other state agencies to streamline the funding, application, and program processes across the state. Down the road these efforts will help maximize funding and mainstream the grants administration process for all municipalities and counties.

III. ALLOCATING HOUSING AND COMMUNITY DEVELOPMENT RESOURCES

A. OVERVIEW OF AVAILABLE RESOURCES

Housing and community development resources are expected to be available to the state of New Mexico through the US Department of Housing and Urban Development (HUD) under several federal block grant programs. These block grants include the Small Cities Community Development Block Grant (CDBG) Program, Home Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and the Neighborhood Stabilization Program (NSP1 and NSP3). The HOME and NSP programs will produce program income that will also be available for program specific housing and community development activities in the state.

In addition, several HUD-funded competitive grants are also available. MFA and its partner agencies will compete for additional resources under the Supportive Housing Program (SHP), Shelter Plus Care (S+C), Section 811 Housing for Persons with Disabilities, Section 202 Housing for the Elderly, Rural Innovation Fund, and Housing Counseling. Many programs leverage their resources with other HUD funding sources that they receive directly such as the FHA Multifamily Housing Finance Agency Pilot Program under section 542(c) of the Housing and Community Development Act of 1992, The Self-Help Homeownership Opportunity Program and the Native American Housing Assistance and Self-Determination Act of 1996.

In September 2010, the State of New Mexico received a second direct allocation for the Neighborhood Stabilization Program (NSP3) in the amount of \$5 million authorized under the Dodd Frank Wall Street Reform and Consumer Protection Act. Like the first round of the NSP grant, the targeted funds are being used to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. DFA awarded funds to a developer to help administer the NSP3 program.

The Section 108 Loan Guarantee Program is authorized under Section 108 of the Housing and Community Development Act of 1974 (42 USC 5308) as part of the CDBG Program. In July 2012 DFA applied directly to HUD for \$42,200,000.00 in Section 108 Loans to be guaranteed by the state's CDBG Allocation. The Section 108 Loan Guarantee Program allows for loans made to small cities and counties on behalf of their needs for economic and community development. The Section 108 Loan Guarantee Program offers local governments a source of financing for economic development, large-scale public facility projects, and public infrastructure. HUD sells bonds on the private market and uses the proceeds to fund Section 108 loans through the state to local governments. The local government may loan the funds to third parties to undertake eligible CDBG activities (typically economic development) or use the funds for other eligible CDBG activities which must be repaid. CDBG future allocations are used as secondary security for the HUD loan to the local government (the loan guarantee).

MFA's additional federal resources include Mortgage Revenue Bonds (MRBs) and Low Income Housing Tax Credits (LIHTC) available from the IRS, Weatherization Assistance awarded by the Department of Energy and resources available to rural areas through several programs funded by the US Department of Agriculture. These rural development programs include: Guaranteed Rural Housing Program, Section 502 Direct Loan Program, Section 504 Loan/Grant Repair Program, Section 514/516 Farm Labor Housing

Program and Section 515 Rural Rental Housing Loan Program.

Other nonfederal resources expected to be available through MFA include resources from the MFA Housing Opportunity Fund and General Fund, taxable bonds, 501(c)(3) bonds, the state Affordable Housing Tax Credit Program, and the New Mexico Housing Trust Fund. MFA receives money from PNM and New Mexico Gas Company, the state's largest utilities, for energy efficiency measures. MFA has established a charitable trust that can receive and lend money to foster more affordable housing in New Mexico. Under the state Affordable Housing Act, capital outlay money from the New Mexico state Legislature can be used for affordable housing activities as long as the use of the funds is consistent with the Act and its implementing regulations and all applicable local regulations.

B. ADMINISTERING AGENCIES

MFA administers the HOME, ESG, HPRP and HOPWA HUD block grants, as well as HPRP, TCAP, Weatherization, and Tax Credit Exchange grant funds. These grants are eligible for allocation statewide except for the entitlement communities of Albuquerque and Las Cruces which receive HOME funds directly from HUD and Albuquerque, which receives ESG and HOPWA funds directly. As the state's housing finance agency, the MFA directs available resources for affordable housing to each of the 33 counties in the state. The actual amount of resources that is invested in an area in any one year depends upon several factors. Certain funding sources have specific geographic targets resulting in differences in funding availability. The capacity to build housing and therefore the delivery system for investing in affordable housing varies substantially among communities in New Mexico. Further, the housing and community development needs also differ significantly throughout the state.

DFA, Local Government Division, which administers the CDBG program, makes funding available to all areas of the state except for the HUD CDBG entitlement communities. Currently the cities of Albuquerque, Las Cruces, Santa Fe, Rio Rancho, Farmington and Indian pueblos and tribes receive funding directly from HUD (Title I, Section 107). DFA also administers the Neighborhood Stabilization Program, NSP1 and NSP3. DFA has provided NSP1 resources to the MFA as well as to the cities of Albuquerque, Santa Fe and Las Cruces. NSP3 funds were provided to a Developer who has expended funds in Albuquerque and Rio Rancho to serve the Areas of Greatest Need. In 2013, DFA anticipates administering the Section 108 Loan Guarantee program available to all areas of the state except for the HUD CDBG entitlement communities, if approved by HUD.

Funding for New Mexico's HUD housing block grants is administered by the MFA and allocated geographically based on three considerations: 1) requirements of the funding source; 2) relative priority need for various types of housing activities and their associated costs; and 3) local support and local capacity to deliver services.

However, in order to understand how HUD funds are available to communities in New Mexico, it is useful to understand the qualifying attributes of selected communities in New Mexico. The City of Albuquerque and the City of Las Cruces receive funding directly from HUD for both HOME and CDBG and therefore are not eligible to receive such funding from the MFA or DFA. The City of Albuquerque receives ESG and HOPWA funds from HUD. Under contract with the City of Albuquerque, the MFA distributes their HOPWA funds.

Many other MFA funding sources, such as mortgage revenue bonds, Low Income Housing Tax Credits, and state affordable housing resources will be directed to these non-entitlement communities. The MFA will continue to work with these communities to meet their affordable housing needs.

The Cities of Albuquerque, Las Cruces, Santa Fe, Rio Rancho, and Farmington receive CDBG funds directly from HUD and therefore are not eligible to apply for CDBG through DFA. However, Santa Fe, Rio Rancho and Farmington do not receive HUD HOME funds and therefore MFA may direct HOME funds as well as all other appropriate affordable housing resources to these communities. These communities represent a unique opportunity to combine HOME, CDBG and other resources in new ways to better meet the housing and community development needs in these areas.

The remainder of the state does not receive any funding directly from HUD and therefore is eligible to receive CDBG, Section 108 Loan Guarantee Program and NSP funding through DFA and HOME, ESG and HOPWA funding through the MFA. Additional funding sources that are expected to be available to the state may be restricted to certain geographic areas. These include Rural Development (Rural Community Development Initiative) programs and competitive grant programs such as Housing Counseling. MFA also received funding from the Behavioral Health Purchasing Collaborative for pre-development and development costs associated with supportive housing development. The Collaborative also provided funding for the Linkages Program, a rental voucher program. Table III.1, on the following page, presents the 2012 estimate of all available housing and community development resources for the 2012 New Mexico Annual Action Plan year.

C. GEOGRAPHIC DISTRIBUTION OF HUD RESOURCES

Formula grant funds from the CDBG, HOME, ESG, NSP, and HOPWA programs may be directed to their highest and best use first, within each set of program guidelines, given the funding of all housing and community development programs throughout New Mexico. Still, the housing and community development needs statewide far exceed the available resources to address those needs. Therefore, it is necessary to prioritize needs by type of activity and geography in order to ensure the greatest impact with limited resources. Diversity across the state means that different areas have different housing and community development needs that are best addressed through different types of investment activities. Housing rental activities are guided by selected ranking criteria, with the 2013 annual ranking criteria presented in Appendix B. Nevertheless, New Mexico's experience with these programs shows that these resources are indeed distributed throughout the state. The following narrative provides information about the successful operation of HUD programs from 2008 through June 30, 2012.

Table III.1

Housing and Community Development Resources Available in New Mexico

Federal Funding Sources	
HUD Funding Sources	
Small Cities CDBG Allocation	\$8,440,071.00
Section 108 Loan Guarantee Program	\$42,200,000.00
HOME Formula Allocation	\$3,781,059.00
HOME Program Income	\$1,000,000.00
HOME Program Carryforward	\$3,108,904.00
Emergency Solutions Grant	\$1,311,996.00

Housing Opportunities for Persons with AIDS	\$608,287.00
Total HUD Sources	\$60,450,317.00
Other Federal Funding Sources	
DOE Weatherization Program	\$610,245.00
LIHEAP	\$1,800,000.00
542 C Risk Share/USDA RHS 538	\$10,000,000.00
Project-Based Section 8 Housing Assistance	\$15,246,854.00
Allocated Low Income Housing Tax Credits (9%)	\$45,808,930.00
Bond Financed Low Income Housing Tax Credits (4%)	\$17,000,000.00
Neighborhood Stabilization Program 1 (HERA)	\$200,000.00
Neighborhood Stabilization Program 3	unknown
ARRA-Weatherization	\$0.00
ARRA-HPRP	\$0.00
Total Other Federal Funding Sources	\$90,666,029.00
Subtotal Federal Funding Sources	\$151,116,346.00
Non-Federal Funding Sources:	
Tax Exempt Mortgage Revenue Bonds (Single Family)	\$120,000,000.00
Multi-Family Taxable and Non-taxable Bond Cap	\$35,000,000.00
MFA Housing Opportunity Fund - Primero	\$3,769,000.00
MFA Housing Opportunity Fund - Build It Loan Guaranty	\$500,000.00
MFA Housing Opportunity Fund - Partners Program	\$450,000.00
MFA Housing Opportunity Fund - HERO, Mortgage Booster DPA	\$3,880,000.00
MFA Housing Opportunity Fund - ACCESS Loans	\$4,900,000.00
MFA General Fund - Capacity Building and Training	\$744,050.00
State of New Mexico Homeless Program	\$725,700.00
Land Title Trust Fund	\$10,868.00
NM Gas Company EnergySmart	\$1,378,483.00
PNM Refrigerator/CFL Energy Efficiency Program	\$615,493.00
PNM Energy Efficiency Program	\$414,920.00
Regional Housing Authority Allocation	\$250,000.00
State Affordable Housing Tax Credit	\$3,800,000.00
NM Housing Trust Fund	\$2,837,869.00
Behavioral Health Collaborative Pre-Development	\$165,214.00
Behavioral Health Linkages	\$272,760.00
Behavioral Health Linkages - Admin	\$23,051.00
Subtotal Non-Federal Funding Sources	\$179,737,408.00
Total Sources of Funds	\$330,853,754.00
Funding Uses for HOME, CDBG, HOPWA, ESG	
CDBG:	
Administration and T&TA	\$353,201.71
Community Development Activities	\$8,086,869.29
HOME:	
Administration	\$478,106.00
Down Payment Assistance	\$340,000.00

Single Family Rehabilitation	\$3,000,000.00	
Single Family Development	\$700,000.00	
Multi-Family Development	\$2,615,645.00	
CHDO Operating	\$189,053.00	
CHDO Development	\$567,159.00	
Tenant Based Rental Assistance (TRBA)*	\$0.00	*
Section 108 Loan Guarantee Program	\$42,200,000.00	
Emergency Solutions Grant	\$1,311,996.00	
HOPWA	\$608,287.00	
Total Uses for HUD funds included in 2013 Action Plan	\$52,010,246.00	
Other Funding Uses		
Homeless	\$468,282.00	
Single Family Rehab	\$200,000.00	
Capacity Building	\$744,050.00	
Single Family Development	\$43,269,000.00	
Home Ownership	\$107,800,000.00	
Multi Family Development	\$107,808,930.00	
Rental Assistance	\$15,246,854.00	
Weatherization	\$3,019,141.00	
Total Other Funding Uses	\$278,556,257.00	
Total Uses of Funds	\$330,566,503.00	

*175,837.20 in allocated TBRA funds are carryover from PY11-12. This activity will not be funded after PY 12-13.

C.1. INVESTMENTS OF HUD RESOURCES FROM 2008 THROUGH 2012

Over the past few years, substantive project investments of both CDBG and HOME funds have been directed to specific types of projects, given the ranking criteria in use each year.

DFA ADMINISTERED CDBG PROGRAM INVESTMENTS

Table III.2, below, presents the number of CDBG projects that were undertaken during the previous five years, from 2008 through June of 2012. As noted therein, there were 69 water and sewer infrastructure projects, 24 projects that provided support to local planning, 37 public facility projects, such as health facilities, community centers, senior centers, or libraries, 55 projects related to other types of infrastructure development, such as street and road improvements or curb/gutter and drainage improvements. There were no housing projects in 2012. These kinds of activities were spread all over New Mexico, excluding the CDBG entitlement communities of Albuquerque, Farmington, Las Cruces, Rio Rancho, and Santa Fe. While ranking criteria may be slightly modified each year, such infrastructure demands and related activities are anticipated to continue to be distributed in a very similar fashion throughout the consolidated planning period of 2011 through 2015.

Table III.2 Number of CDBG-funded Projects by Year and Activity DFA: 2008 - June 30, 2012						
Activity	2008	2009	2010	2011	2012	Total
Water and Sewer	17	12	19	13	8	66
Planning	9	8	0	7	0	24
Public Facilities	6	7	11	8	5	37
Other Infrastructure	6	18	6	15	10	55
Housing Rehab	0	0	0	0	0	0
Total	38	45	36	43	23	185

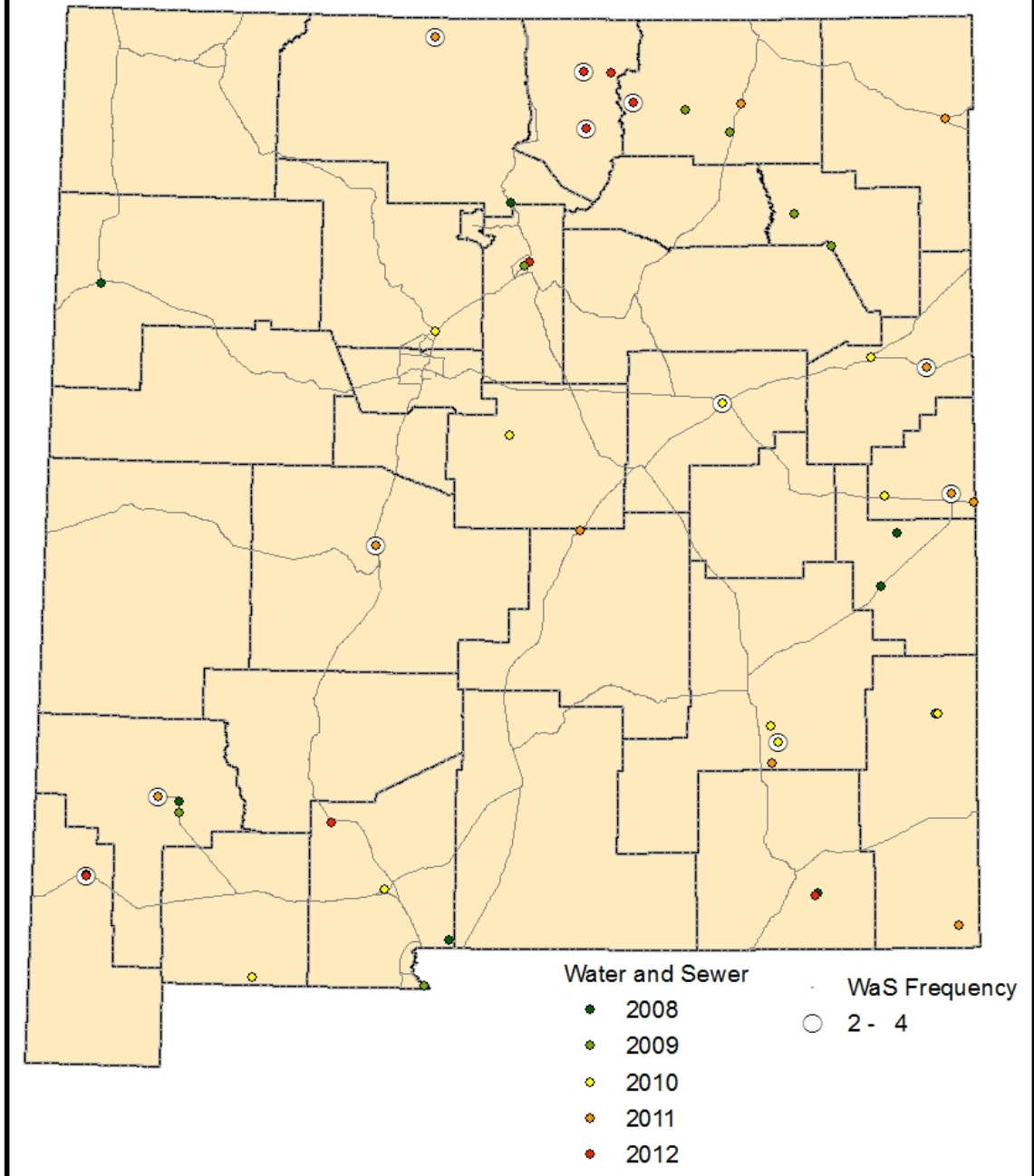
DFA determines areas of CDBG funding based on need, readiness to proceed and other current ranking criteria identified in the CDBG Rules and Regulations. To better view the geographic distribution of the DFA administered CDBG water and sewer projects, their specific address locations were assigned longitude and latitude coordinates and plotted on a geographic map, by year. As seen in Map III.1, on the following page, this set of project was exclusively outside the CDBG entitlement communities, as described previously. Geographic maps have been prepared to show the data for the three additional types of CDBG program activities presented in Table III.1, planning projects, public facilities, and other infrastructure investments. These other infrastructure investments include street and sidewalk improvements, curb and drainage enhancements, and related street, bridge, and throughway modifications and improvements.

Section 108 Loan Program method of Distribution will be similar to the CDBG program.

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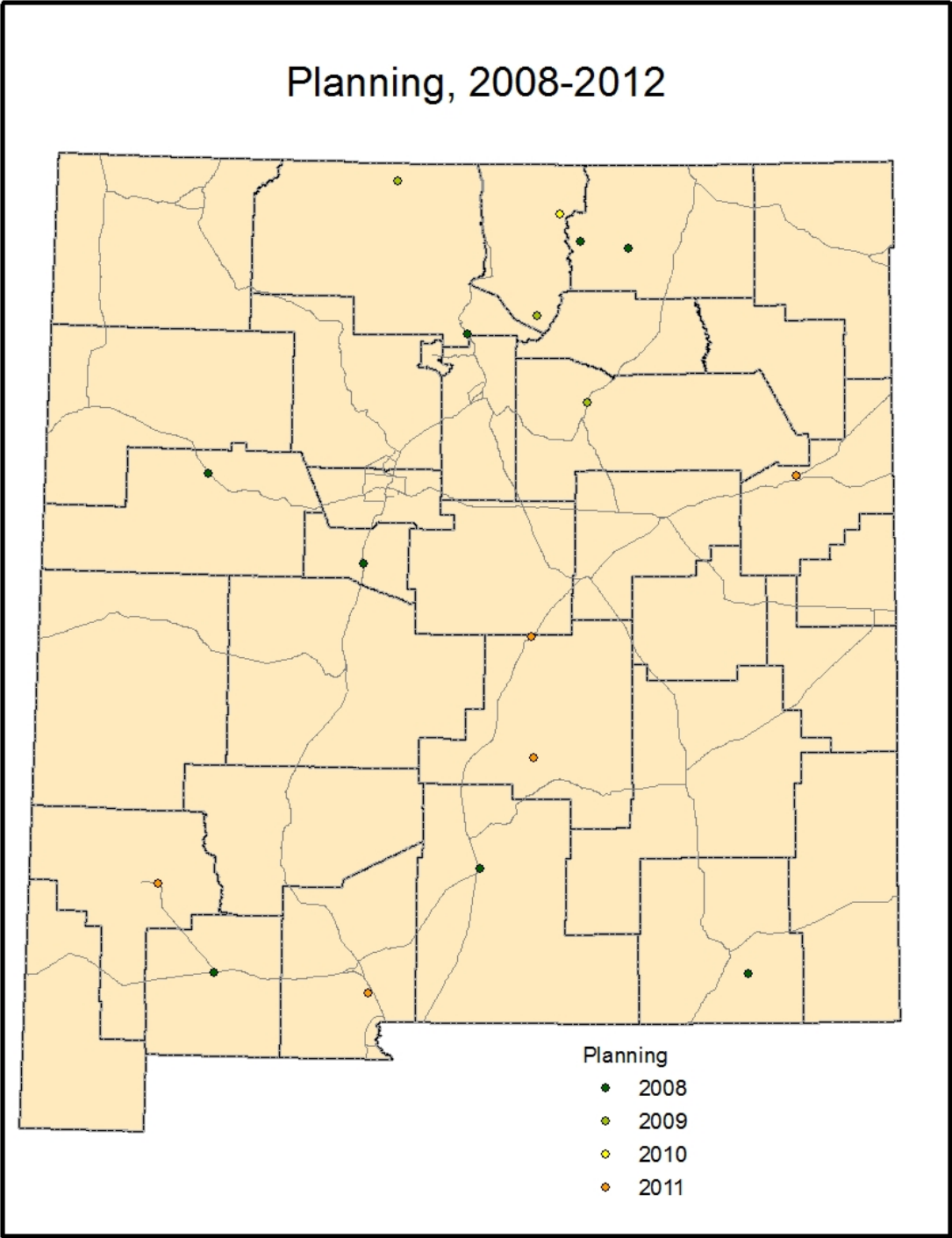
Map III.1
New Mexico Community Development Block Grant

Water and Sewer, 2008-2012



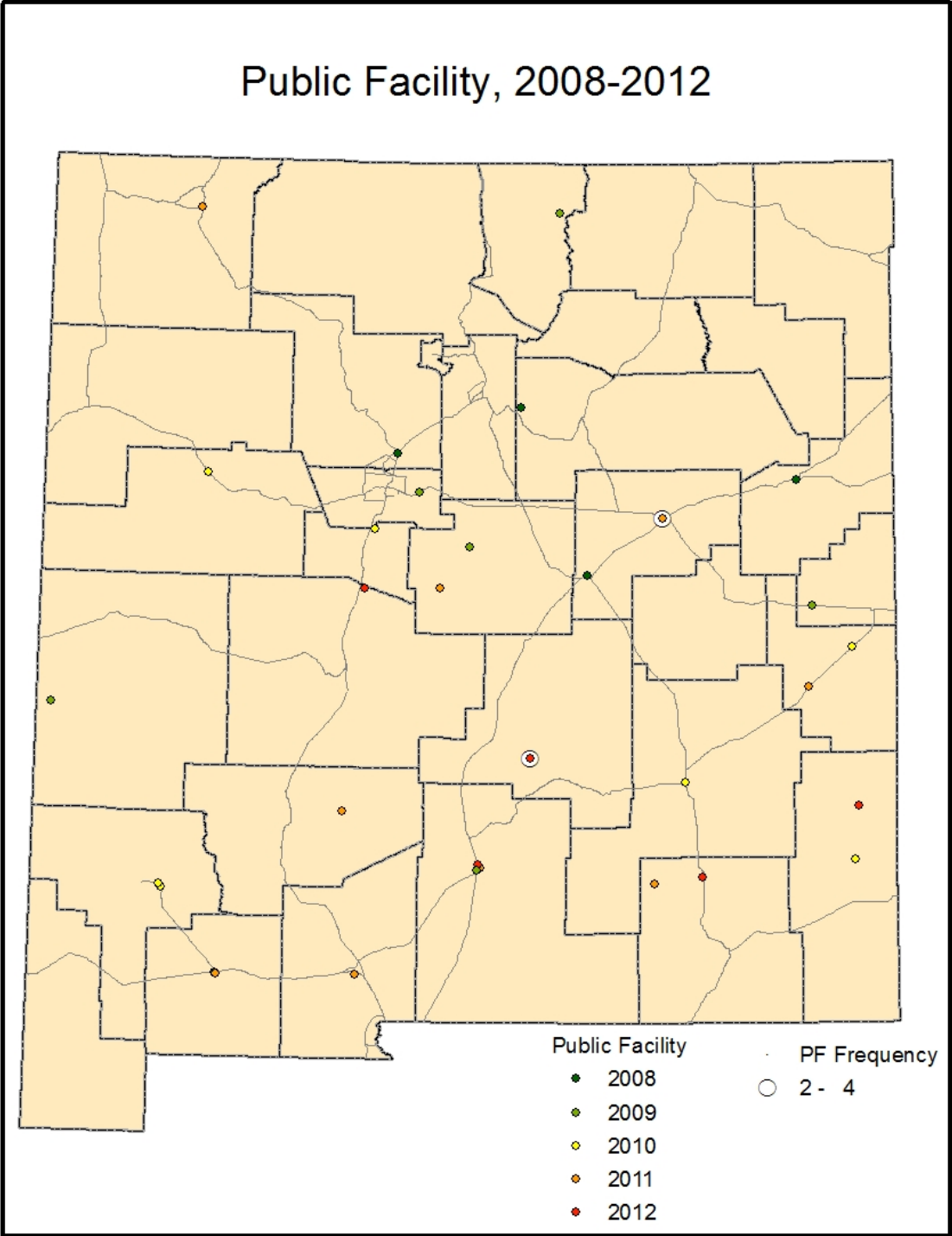
Map III.2 demonstrates how planning projects been provided to communities throughout the state of New Mexico, as administered by the DFA. Again, these are essentially outside of the existing CDBG entitlement communities.

Map III.2
New Mexico Community Development Block Grant



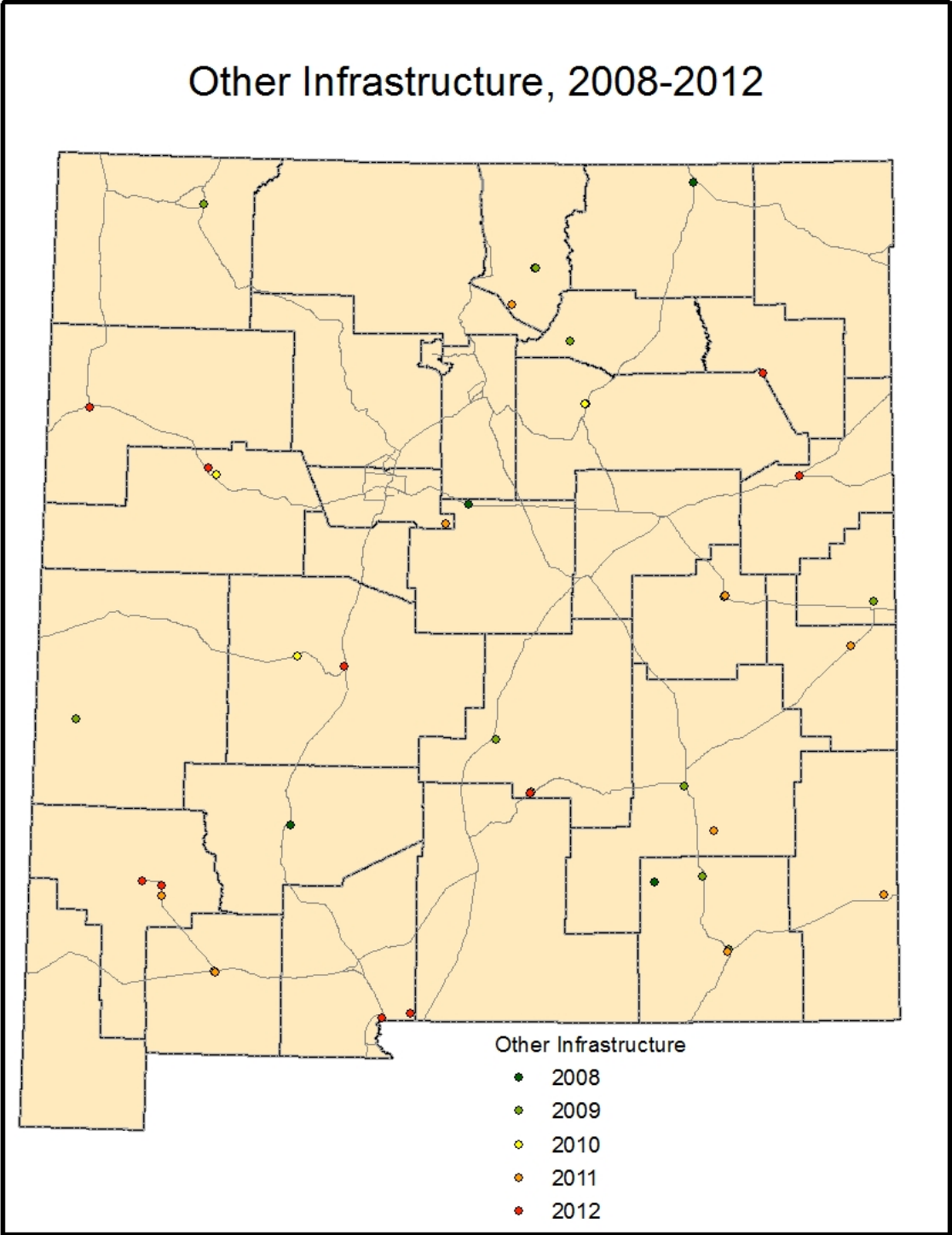
Map III.3 demonstrates how resources have been directed to a variety of public facility projects throughout the state of New Mexico. Again, these are outside of the existing CDBG entitlement communities and demand remains high for such activities.

Map III.3
New Mexico Community Development Block Grant



Map III.4 demonstrates how resources have been directed to a variety of other infrastructure projects throughout the state of New Mexico. Again, these are essentially outside of the existing CDBG entitlement communities and demand remains high for such activities.

Map III.4
New Mexico Community Development Block Grant



MFA ADMINISTERED HOME PROGRAM INVESTMENTS

Similar geographically dispersed demands exist when MFA allocates its HOME resources. Some communities have a greater need for new housing development while other communities would best be served by rehabilitation of existing housing. MFA determines areas of statistically demonstrated need, which in the past received scoring preferences, based upon program activity type, on applications for funds, and current ranking criteria in use in the particular program year. For 2013, the ranking criteria were determined only for rental activities, as presented in Appendix B.

Table III.3 Number of HOME-funded Projects by Year and Activity MFA: 2008 - Jun. 30, 2012						
Activity	2008	2009	2010	2011	2012	Total
Down Payment Assistance	79	80	51	34	22	266
Homeowner Rehab	73	66	73	75	43	330
Single Family Development	65	32	20	45	28	190
Rental	13	8	7	4	2	34
Tenant Based Rental Assistance	4	23	20	17	18	82
CHDO Operating	4	5	9	5	0	23
Total	238	214	180	180	113	925

In the past, high priority counties were identified through the housing condition and market indicators identified in the housing market analysis for the 2006 – 2010 state of New Mexico Consolidated Plan. The modified prioritization scheme was sometimes based on data available in years subsequent to the 2000 Decennial Census, but was usually from the 2000 census. These ranking criteria included characteristics such as the following: poverty level, homeownership, cost burden, and population change. Such data were periodically updated as well. Table III.3, above, presents the HOME funded projects that have been funded between 2008 through June of 2012, with 925 projects, using the older ranking criteria.¹

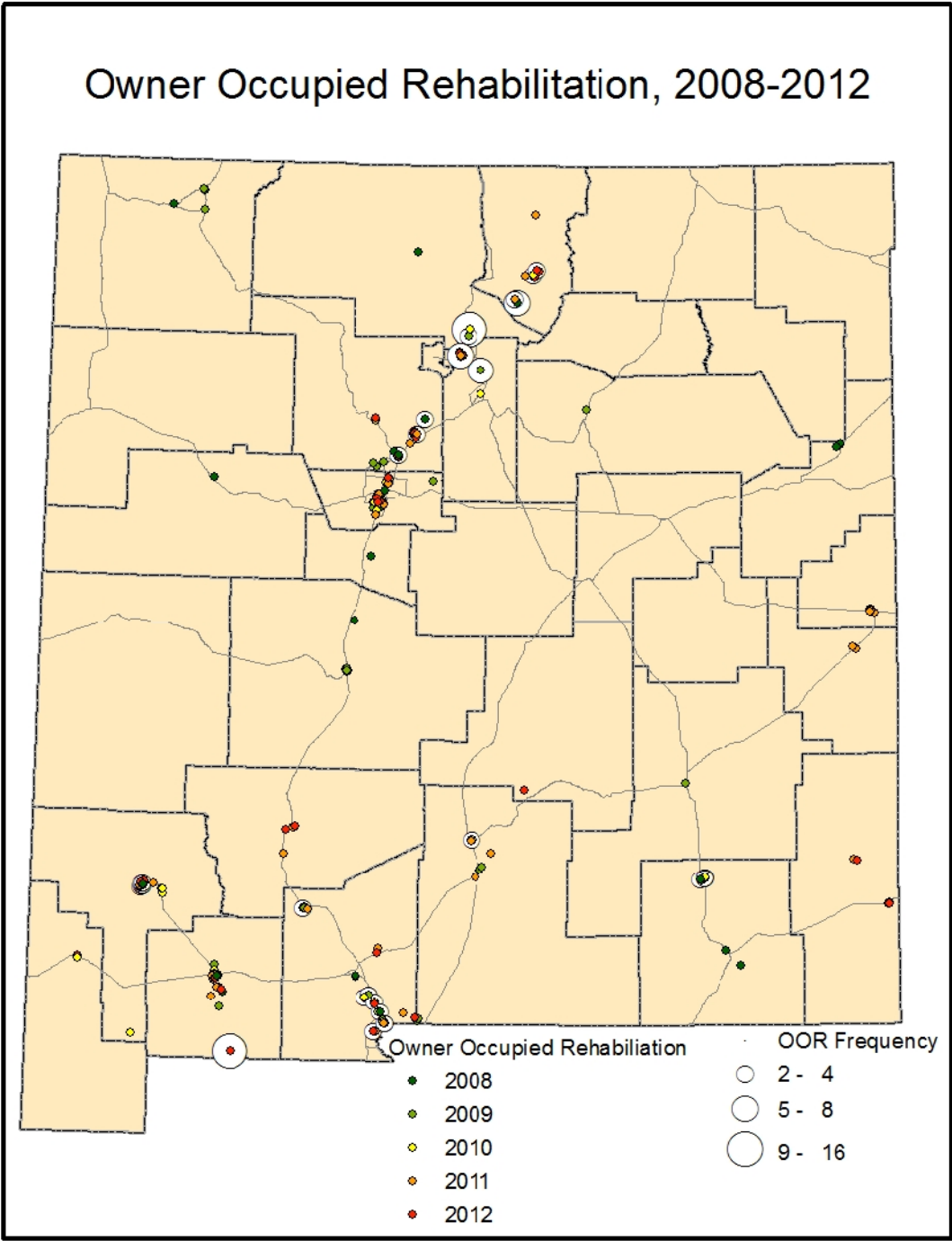
For 2013, MFA re-evaluated its areas of statistically demonstrated need, and concluded that needs would be determined for rental programs only. Each county was assigned a relative determined need of High, Medium or Low based on a number of indicators for both types of rental activity. A high need indicated an area where, ideally, the greatest amount of resources should be invested and projects or programs proposed to meet that need had the greatest opportunity for funding. A medium need indicated areas where a moderate amount of resources should be invested and projects or programs proposed to meet those needs were likely to be funded. A low need indicated an area where the least amount of resources should be invested. A project proposing to serve a low need would not necessarily be excluded from funding; however, such projects received a lower need.

Some communities find that housing preservation is in line with their key housing needs. MFA administered HOME Funds for single family rehabilitation have been used for rehabilitation of owner-occupied housing, reconstruction or replacement where units are in such poor repair that rehabilitation is not appropriate, and it may include replacement of substandard units with new manufactured housing that is affixed to a permanent foundation or a new site built home. During the Consolidated

¹ These are project counts, not the number of units, reflecting the projects set up in the IDIS system for a given range of dates.

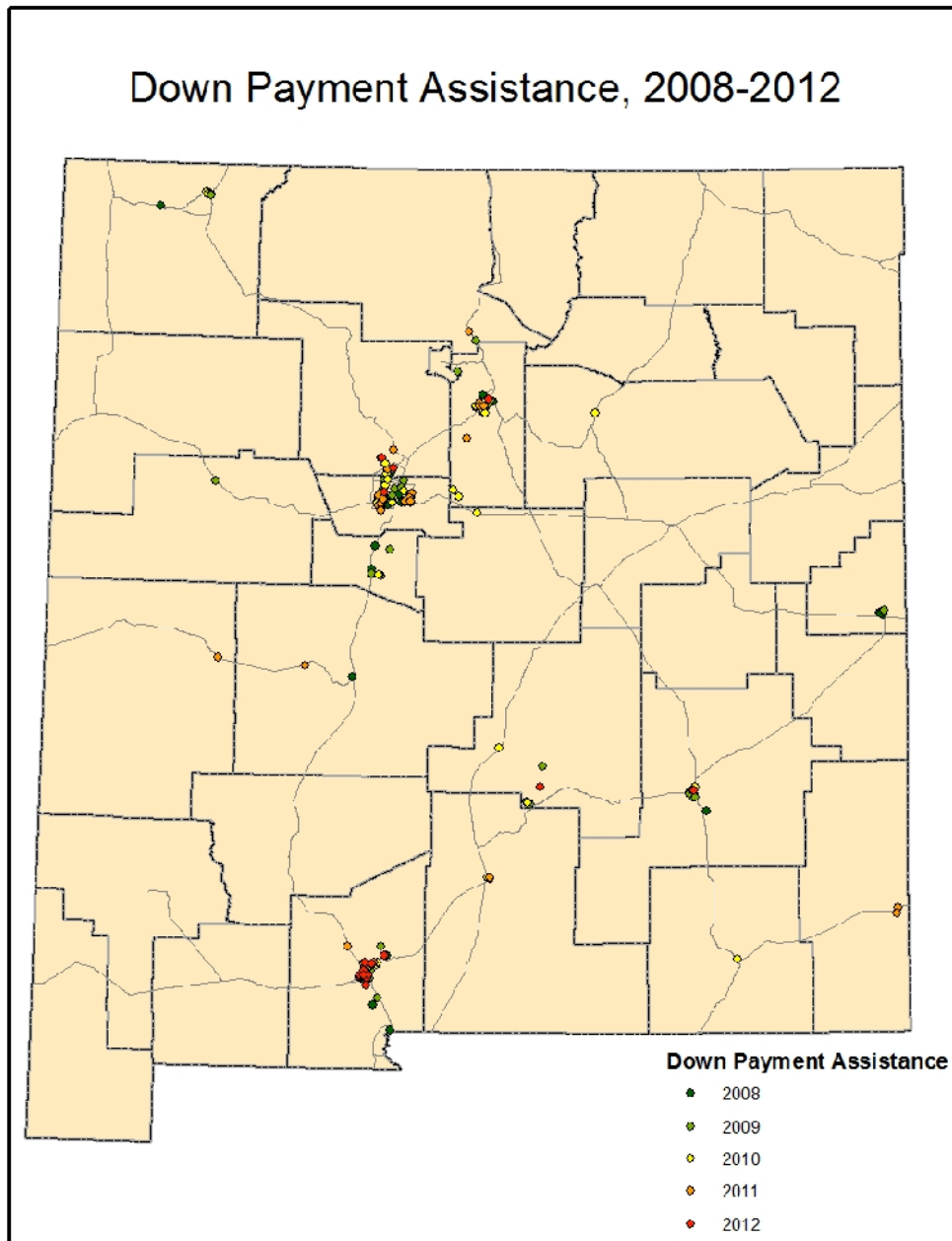
Plan period last year, we determined that housing preservation is a need throughout the state and did away with the ranking chart. There were more than 330 homeowner rehab projects that occurred between January of 2008 and June 30, 2012, with the geographic distribution occurring all over the state as seen in Map III.6 below. Such widespread demand, and consequent use of HOME funds, is anticipated to continue throughout the remainder of the 2011 – 2015 planning period as well.

Map III.6
New Mexico HOME Program Activities Administered by MFA



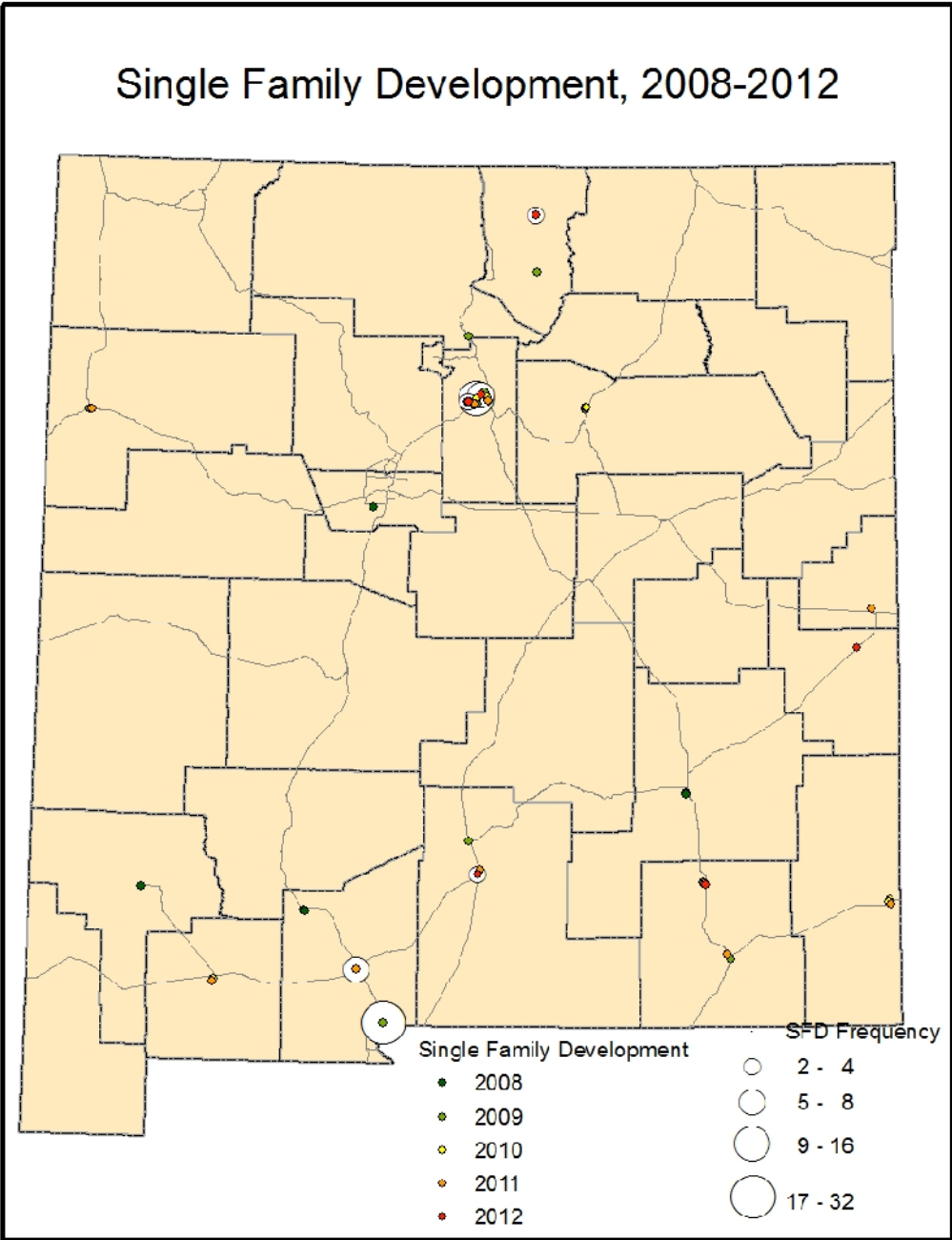
Instead of home purchases or rehab of single-family dwellings, other communities required new single family development, which includes housing activities that increase the supply of affordable single family units. This represents both new construction and the placement of new manufactured housing installations on permanent foundations. As well, the purchase and reconstruction of dilapidated units or “acquisition and rehabilitation” can add to the affordable and suitable housing stock and, therefore, can also be considered for funding under this program activity. The Down Payment Assistance Program has been administered on a first-come, first-served basis, with some 266 households assisted with this activity during the last five years, as shown on Map III.7.

Map III.7
New Mexico HOME Program Activities Administered by MFA



While MFA had established areas of statistically demonstrated need in the past, new single family development is also dependent on housing developers having the capacity and the desire to build in designated high priority areas, factors not at the control of the MFA. Nevertheless, MFA used HOME funds for 199 single family development units from 2008 through June of 2012. It is expected to continue in this general manner, with the geographic distribution similar to what is seen in Map III.8, below.

Map III.8
New Mexico HOME Program Activities Administered by MFA



Additionally, still other communities may yet have another variety of housing need. For example, the need for new single family development like that noted above is driven by population growth; however, some areas that have not experienced significant population growth may still benefit from *acquisition and rehabilitation* of existing units. Those counties that had an owner-occupied vacancy rate that exceeds the state's average represent an opportunity to increase the stock of available housing through such *acquisition and rehabilitation*.

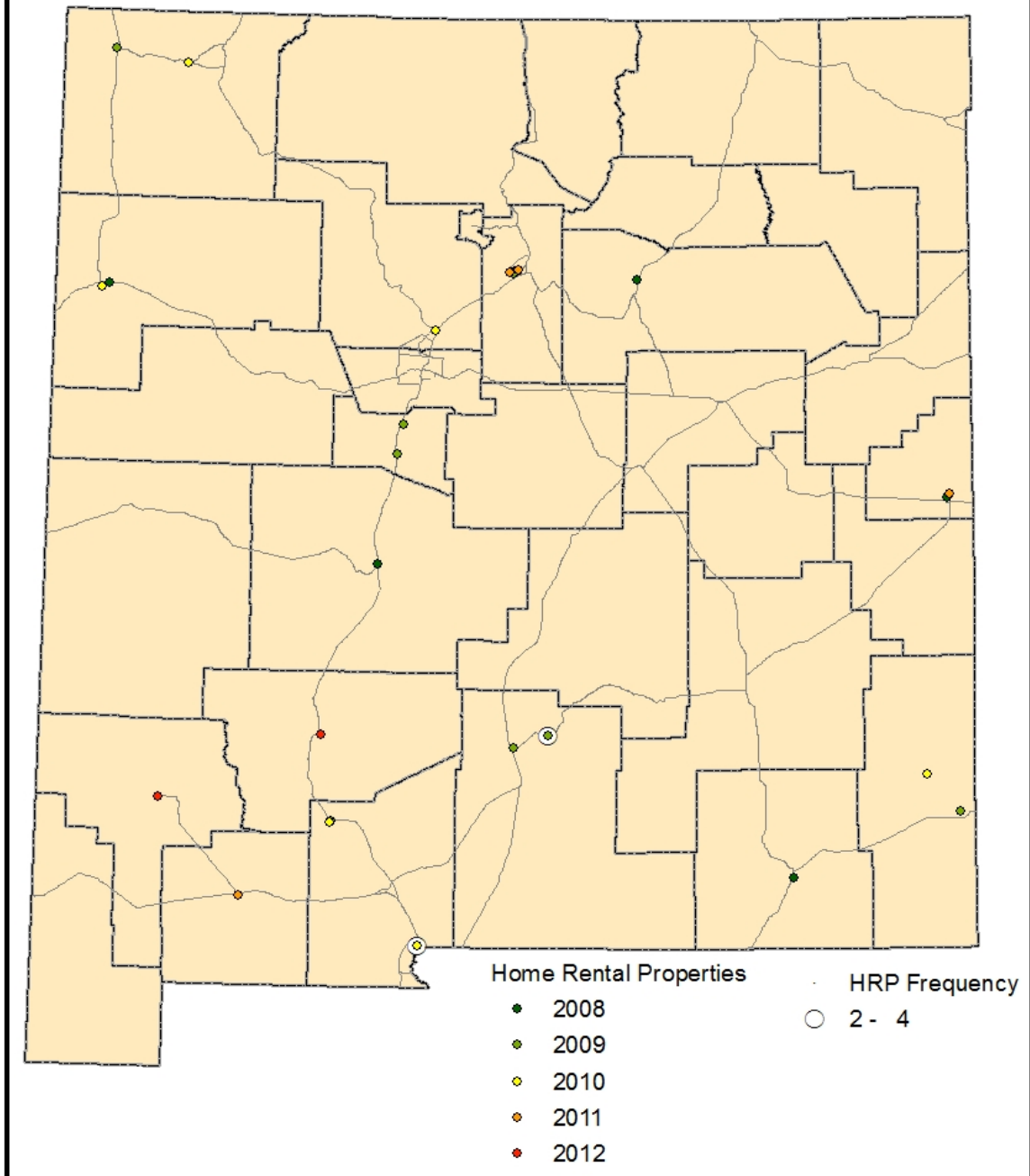
Demand exists for MFA HOME resources for the provision of affordable rental units, tenant based rental assistance, and CHDO set-aside operating funds throughout the more rural areas of New Mexico. This includes those activities intended to make existing rental units more affordable and/or improve the quality of the existing affordable rental units as well as new rental construction. New rental construction refers to the development of new multifamily rental units. The need for new multifamily rental units was categorized using a set of criteria indicated by population growth, areas of population concentration and low rental vacancy rates. The thresholds for assigning an area a high priority for new multifamily units included a population growth greater than the state's average growth for the past three years; the county was part of an MSA or had a population larger than 10,000 people in 2012 and had a rental vacancy rate less than five percent. Areas were considered to have a medium priority for rental funding if they met the population threshold, had population growth greater than the state's average for the past three years, or have a rental vacancy rate less than five percent. Areas with slower growth or less population were given a lower priority for multifamily projects.

HOME funded activities seen over the previous five-year consolidated planning period have been collected and are presented in the following maps, with Map III.8 presenting locations of rental development and Map III.9 showing the location of CHDO operating funds.

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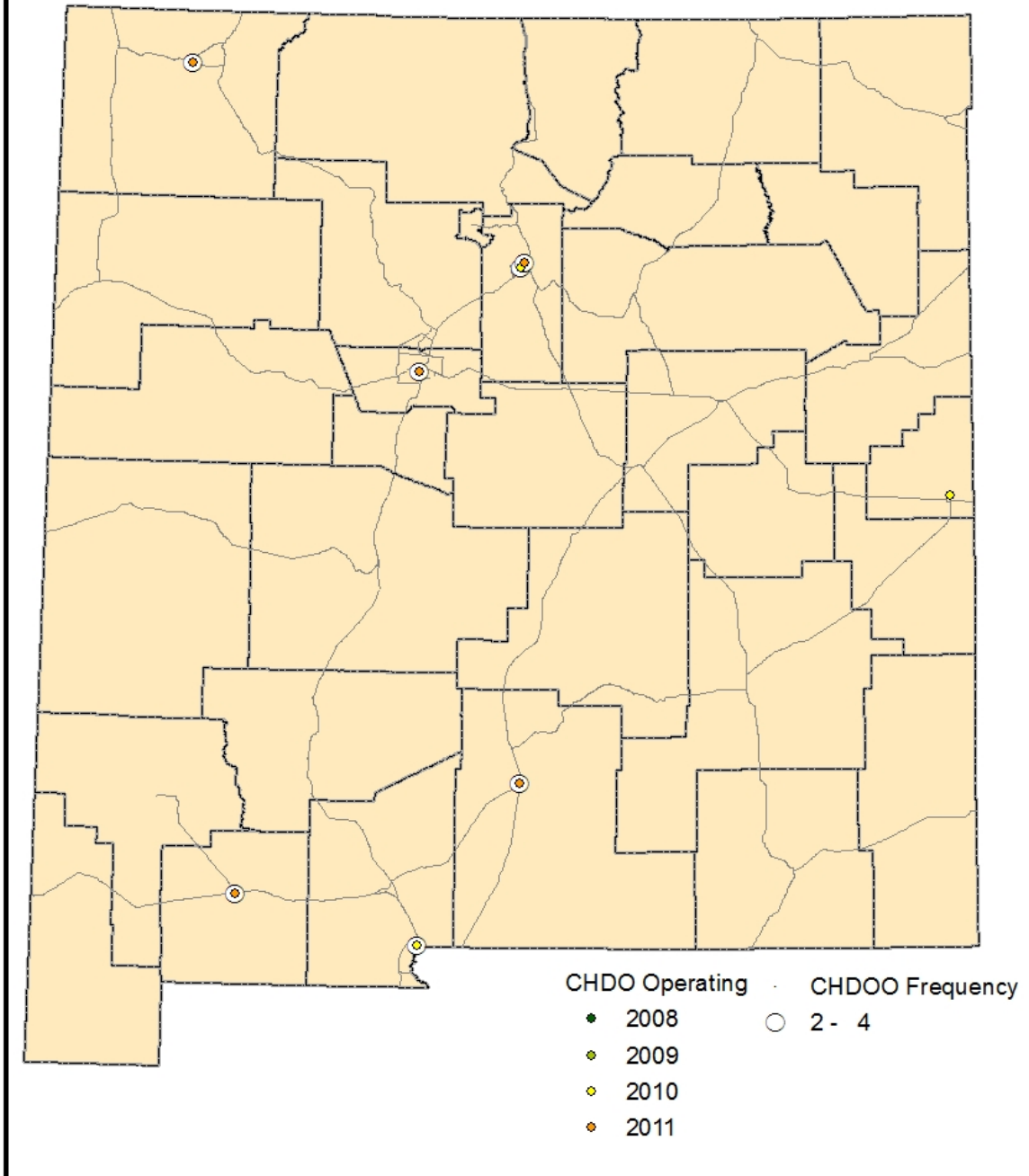
Map III.8
New Mexico HOME Program Activities Administered by MFA

Home Rental Properties, 2008-2012



Map III.9
New Mexico HOME Program Activities Administered by MFA

CHDO Operating, 2008-2012



D. ANTICIPATED USE OF RESOURCES IN 2013

The MFA and DFA anticipate addressing a wide set of housing and community development demands on housing and community development resources over the term of the 2011-2015 five year plan, with much less funding for the 2013 Annual Action Plan. In FY 2012, allocation of the largest HUD block grants was severely curtailed. CDBG saw a considerable decrease of approximately 35% and HOME funds a massive 53%. Those cuts brought about the elimination of funding to certain HOME activities, described later in this document, and forced CDBG to fund approximately 20 less CDBG projects than previous years. CDBG had over \$17.4 million dollars in CDBG requests in 2012 and approximately \$8.4 million dollars to allocate. DFA and MFA anticipate approximately the same amount of funding in 2013 as in 2012.

D.1. MFA RESOURCES TO BE APPLIED IN 2013

HOMEOWNERSHIP PROGRAMS

Several resources are available to provide first mortgages to low-income, first-time (and other special populations) homebuyers. The MFA's MortgageSaver Program is funded by tax exempt mortgage revenue bonds and provides a 30-year fixed rate loan available at one of four interest rates to first-time homebuyers earning less than 115 percent of the area median income. The MortgageSaver and MortgageSaver Zero provide affordable financing for the first-time homebuyer. The MortgageSaver Plus interest rate is similar to conventional market rates however the buyer receives a rebate of 3.50 percent to help defray down payment and closing costs and pre-paid escrow expenses. It can also be used as a temporary interest rate reduction or to reduce the principal loan amount. With \$132,000,000 in mortgage revenue bonds, the MFA expects to create 1,050 new first-time homebuyers in the next year.

MFA's Partners Program was established in 1992 to serve as a secondary market by purchasing mortgage loans made by non-profit housing development organizations, tribal organizations and public housing agencies in New Mexico to further homeownership opportunities for lowest income New Mexico residents. The loans are structured at a zero percent interest rate and are at a term not to exceed thirty years. Eligible borrowers may not earn more than 50 percent of county/area median income for most counties and 60 percent of county/area median income for counties of high cost (determined by MFA). In order to limit the dollar amount that the Partners loans are eligible for purchase, the maximum loan-to-value ratio (LTV) will be 50 percent of the appraised value of the property. All loans must be affordable to low income borrowers; affordable is defined as paying no more than 30 percent of income for housing expenses. It is expected that 10 homebuyers will be created through the Partners Program in 2013.

Several Public Housing Authorities in the state have implemented a Section 8 Homeownership Voucher program which utilizes Section 8 vouchers or Housing Choice Vouchers to subsidize home purchases by public housing residents. It is expected that five percent public housing residents will become homebuyers in the next year through Section 8 Homeownership programs statewide.

The U.S. Department of Agriculture, Rural Development will also have resources available to subsidize home buying by low-income residents in rural areas. Funds are expected from the Guaranteed Rural Housing program and the Direct Loan program both of which provide below-market rate first mortgages. It is expected that these programs will assist rural homebuyers. In addition to low cost financing of first mortgages, resources will also be utilized to provide additional homebuyer assistance.

Homebuyer assistance programs are intended to provide down payment and/or closing cost assistance, and may also be used to reduce the principal loan amount or buy down the interest rate. HOME resources will be used to fund the MFA's PaymentSaver program.

PaymentSaver and Helping Hand provide down payment and closing cost assistance in the form of a second mortgage. PaymentSaver is a zero-percent interest rate, non-amortizing loan due on sale if the borrower sells, refinances, or transfers the property. PaymentSaver and Helping Hand funds are available, statewide, on a first come, first served basis. PaymentSaver and Helping Hand funds may be applied toward the down payment, closing costs, temporary interest rate buy downs and additional downpayment to reduce the principal balance of the loan. The maximum PaymentSaver loan amount is the lesser of 8 percent of the sales price or \$8,000 OR if the borrower has a Section 8 Voucher he/she would be eligible for the SmartChoice loan of \$15,000. The Helping Hand loan amount is \$8,000.

PaymentSaver and Helping Hand loans will be available through MFA's participating lender network statewide. Nonprofit and public housing organizations will participate in the program by providing pre-purchase counseling and referring eligible homebuyers to participating lenders; PaymentSaver and Helping Hand borrowers must complete face to face pre-purchase counseling. Nonprofit organizations are encouraged to market their services to, and develop a working relationship with, lenders in their communities. In order to fully leverage available resources, the PaymentSaver and Helping Hand programs must be used with one of the following first mortgage programs:

- MFA's MortgageSaver Program—mortgages are financed with tax-exempt mortgage revenue bonds.
- HUD Section 8 Homeownership Program— Section 8 voucher subsidies are used to assist low-income first time homebuyers meet monthly homeownership expenses instead of offsetting rental expenses.
- Guaranteed Rural Housing or Rural Development Direct Loan— below-market rate mortgages financed by USDA Rural Development.

Any institutional loan product that demonstrates interest rates and key terms that benefits the homebuyer as much as or more than comparable MFA loan products throughout the term of the loan. Upwards of \$340,050 dollars is expected to be available for PaymentSaver loans which will provide assistance to first-time homebuyers most of whom will also receive MortgageSaver.

The MFA will work closely with Public Housing Authorities operating Housing Choice Voucher programs to provide targeted outreach to public housing residents seeking to become homeowners. MFA will also work closely with nonprofit organizations, community housing development organizations (CHDOs) and local groups including those on Native American Trust lands and in the Colonias to ensure that PaymentSaver loans are available to residents in difficult to serve areas.

For all households that receive HOME funded PaymentSaver loans, the MFA requires they receive a minimum of eight hours of homebuyer education. MFA has taken several steps to ensure that homebuyer education is not only available in most areas of the state, but that it also meets minimum guidelines for quality. The MFA pays a counseling fee to nonprofit organizations that provide homebuyer education. MFA also provides training and certification opportunities for housing counselors statewide and assistance with curriculum development and materials. Further, MFA has taken steps to encourage the statewide availability of housing counseling programs that assist households in becoming mortgage ready.

The Mortgage Booster Program provides down payment and closing cost assistance with a maximum loan amount of \$8,000 in the form of a second 30-year fixed rate mortgage.

The HERO (Home Equity and Required Occupation) program provides a fixed rate first mortgage loan for households in which at least one member is a teacher, police officer, nurse, firefighter or an active member of the United States Armed Forces. The buyer receives a rebate of 3.50 percent to help defray down payment and closing costs and pre-paid escrow expenses. It can also be used as a temporary interest rate reduction or to reduce the principal loan amount. The interest rate on the mortgage is determined by the funding source. Recipients of HERO loans are not required to be first-time homebuyers.

MFA has implemented a TBA Program to provide a source of funding other than the Mortgage Revenue Bonds ("MRB") for our single family mortgage program. Additionally, the TBA program may provide a source of funding for new or existing single family mortgage programs that are not eligible to be funded with MRB proceeds. This new funding mechanism incorporates a forward commitment of mortgage loans in which the interest rates on the loans are set daily. The program could be used to finance purchase money loans as well as refinance transactions. Due to the complex nature, specific expertise required and risks inherent in hedging a mortgage pipeline to be sold through a TBA contract, MFA is outsourcing this function through a TBA Administrator.

HOUSING DEVELOPMENT PROGRAMS

Following the enactment of the New Mexico Affordable Housing Act, new resources have become available for financing new single family affordable housing development. These resources include the New Mexico Affordable Housing Tax Credit Program, the New Mexico Housing Trust Fund Act, and the Affordable Housing Act. The New Mexico Affordable Housing Tax Credit Program provides an investment voucher to persons who make investments in land, buildings, materials, cash or services for affordable housing projects approved by the MFA, or cash donations to the MFA Charitable Trust. The voucher is equivalent to 50 percent of the invested value and can be used as a tax credit against the holder's liability for combined taxes, personal income taxes or corporate income taxes. The voucher can be carried forward for up to five years and may be sold, exchanged or transferred once in whole or in part to one or more persons. The MFA has been authorized to issue investment vouchers up to approximately \$3.8 million each year, which can generate over \$7.6 million in resources for investment in affordable housing.

The New Mexico Housing Trust Fund Act was established to provide flexible funding for housing initiatives in order to produce significant additional housing investment in New Mexico. The fund was capitalized with an initial \$10,000,000 appropriation from the state Legislature and has received an additional \$5,000,000 since then. In 2013 the legislature appropriated an additional \$3,000,000, which has not yet been received. Funds are awarded on a competitive basis to applicants who develop responsive solutions to local needs consistent with sound housing policy.

Finally, under the Affordable Housing Act, state and local governments are authorized to donate land for construction of affordable housing, to donate an existing building for conversion or renovation into affordable housing, to pay the costs of infrastructure necessary to support affordable housing projects, to pay the cost of conversion or renovation, and to pay the costs of land acquisition. Under the Act, MFA

must review and approve each community's affordable housing plan, affordable housing ordinance, and affordable housing program. MFA uses general funds to assist in hiring professionals to help the communities in their efforts to produce affordable housing.

HOUSING DEVELOPMENT PROGRAMS

A number of different resources are available for developing new affordable housing. These include:

542(c) Risk Sharing (HUD) & 538 (RD) Loans – Construction and permanent loan programs aimed at the production and preservation of affordable, low-income rental housing units. Both programs require set-asides for a specific number of units to be rented to lower income tenants. These loans are often combined with Low Income Housing Tax Credits and/or HOME Rental loans. Risk Sharing loans also provide credit enhancement for tax-exempt bond financing.

ACCESS Loans – Streamlined Risk Sharing construction and permanent loans up to \$2 million for small-scale affordable rental housing projects.

“Build It!” Loan Guaranty Program – Up to a 50 percent guaranty of interim loans used to acquire, build or rehabilitate affordable housing for rental and for-sale housing.

HOME/Rental Loans – Federal HOME funds used for gap financing for the development of affordable rental or special needs housing through either new construction or acquisition and rehabilitation of existing properties.

HOME/Single Family Loans – Federal HOME funds used for gap financing for purchasers of single family residences constructed or acquired and rehabilitated by approved housing developer applicants.

Land Title Trust Fund – The interest earned on certain title company escrow funds finances loans or grants to provide housing for low-income persons whose household income does not exceed 80 percent of area median income and other eligible uses. MFA awards funds on a competitive basis quarterly, when funds are available, as outlined in the Notice of Funding Availability. Eligible applicants include non-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies.

Low Income Housing Tax Credit (LIHTC) – A federal tax-based program that encourages private investment for the construction or rehabilitation of affordable rental housing in accordance with MFA's annual Qualified Allocation Plan. MFA awards funds on a competitive basis annually, as outlined in the Qualified Allocation Plan (QAP).

New Mexico Affordable Housing Tax Credit Program – Provides state tax credits to individuals, businesses and local governments that provide donations of land, buildings, materials, cash or services to affordable housing projects approved by MFA or for a trust fund administered by MFA. The credit is equal to 50 percent of the value of the donation. Project sponsors can apply to be designated an eligible affordable housing project and for a reservation of credits as outlined in the Notice of Funding Availability.

New Mexico Housing Trust Fund – Provides financing for affordable housing initiatives targeted primarily to low and moderate income households. MFA awards funds on a competitive basis, when

funds are available, as outlined in the Notice of Funding Availability. Eligible applicants include non-profit and for-profit housing developers and providers, units of local government, housing authorities and tribal entities.

Primero Investment Fund – This program provides loans to meet the financial needs of affordable housing development initiatives that cannot be accommodated with existing sources. For profit and nonprofit sponsors, public or government agencies including tribal entities are all eligible to apply.

Tax Exempt Bonds – MFA is a qualified issuer of tax-exempt bond financing and 501(c)(3) bond financing for multi-family developments. Risk Share financing can be utilized for credit enhancement. Federally mandated tenant income restrictions apply.

BLOCK GRANT RESOURCES ADMINISTERED BY THE MFA

SINGLE FAMILY DEVELOPMENT

The HOME/Single Family Development Program provides partial financing commitments to nonprofit and for-profit developers, public and tribal entities, and CHDOs for down payment assistance “junior” loans when an eligible buyer purchases the home. The maximum per unit loan is \$14,999. Previously MFA provided funds to developers for acquisition and rehabilitation or construction of single-family homes. This program was discontinued in 2012. Units financed with HOME funds must be affordable to households earning below 80 percent of the area median income adjusted for family size, may not exceed 95 percent of the median purchase price for the area, and must meet the Model Energy Code, accessibility requirements under the Fair Housing Act, and local building codes. In these projects, HOME funds may be used in combination with other down payment and closing cost assistance programs. However, all HOME subsidies combined cannot exceed \$15,000 per unit for permanent financing. Projects must demonstrate that HOME funds are needed and will enhance affordability. These funds will be drawn at the time of sale to an eligible buyer and be in the form of “junior” homebuyer loans.

HOUSING COUNSELING

Several resources will be used to provide housing counseling to New Mexico households. Housing counseling includes both group and individual one-on-one counseling. Group sessions may include homebuyer education classes, financial fitness sessions, and post-purchase education. One-on-one counseling may include becoming mortgage ready, default and foreclosure prevention, and counseling for predatory lending.

HOME funds will be used to leverage additional resources for housing counseling. Approximately \$22,700 in HOME funds will be used as housing counseling fees paid to nonprofit organizations that provide homebuyer education to households that purchase a home and receive a PaymentSaver down payment assistance loan. The fee of \$350.00 per household is expected to be paid to fifteen different agencies that will provide homebuyer education to at least 60 first-time homebuyers.

MFA also offers the **eHome America** online counseling program. **eHome America** was designed to help more people obtain Certified Homebuyer Education. Many people have a difficult time getting to a local HUD certified housing counseling agency office for face to face counseling, for reasons such as work

schedules or babysitting issues. This online version helps individuals get the education and certification that they need at their convenience. Each participant in this course is directly connected to a local HUD certified housing counseling agency. This ensures that participants continue to receive the face to face counseling they need over the phone or in-person while receiving their certification online.

OWNER-OCCUPIED HOUSING REHABILITATION

HOME funds will also be used to finance a statewide housing rehabilitation program. The program's objective is to assist low-income homeowners in non-entitlement areas throughout the state. Assistance can be used to pay for the costs of rehabilitation required to meet applicable codes, standards or ordinances (including HQS standards), essential improvements, energy-related improvements, lead-based paint hazard reduction, asbestos abatement and removal, accessibility for disabled persons, repair or replacement of major housing systems, incipient repairs and general property improvements of a non-luxury nature, and site improvements and utility connections. Depending on the household's annual gross anticipated income, adjusted for family size, assistance will take the form of either a non-amortizing, 0 percent interest loan, due on sale, transfer or refinance or a twenty-year, 1 to 2 percent amortizing loan. Considering that no more than \$80,000 in HOME funds may be used per unit (excluding the costs incurred to test for and abate lead-based paint hazards and for soft costs), MFA strongly encourages the leveraging of multiple resources from the sub grantees that will deliver this program. The value of the home (as determined by appraisal or other method as approved by MFA) cannot exceed the HUD published 203(b) appraisal limits after rehabilitation. The combination of an existing mortgage loan and HOME loan cannot exceed the value of the home.

The program consists of two (2) components. First, in order to potentially service a larger portion of the state, MFA has modified the House by House Program where the MFA continuously accepts and reviews applications for Eligible Partner Status. Project funds are available on a first-come first-served basis. The 2011 block grant recipients will be allowed up to five (5) open projects at one time, whereas new agencies or current House by House providers will be allowed up to three (3) open projects. The second component is a set-aside of MFA's administrative funds to carry out lead-based paint testing, remediation, and abatement measures in eligible owners' homes.

RENTAL DEVELOPMENT

HOME funds will be used to leverage a number of these resources by providing gap financing. The priority is for multifamily rental financing is for projects that will serve homeless individuals and special needs populations. HOME/Rental Development funds will provide "gap" financing to nonprofit and for-profit developers, public and tribal entities, and CHDOs for construction, acquisition, or acquisition and rehabilitation of affordable rental housing. Units financed with HOME funds must be affordable to households earning at or below 60 percent of the area median income adjusted for family size, and awards may be further restricted by other federal funding limits. HOME funds will be used to fill the gap between the cost of development and other sources of funding. To the extent projects are able to carry senior market-rate debt; HOME dollars will be reduced accordingly in order to maximize their efficiency. Projects must have demonstrated financing gaps and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. Market studies, or other evidence of market need, will be required at MFA's discretion. MFA will accept and review applications on a continuous basis. Additional CHDO set-aside funds are also available to projects meeting these guidelines and developed, sponsored, or owned by certified CHDOs. Applicants will be

encouraged to produce units that are Green built, energy efficient and developed for low water usage. The MFA will coordinate with the Department of Energy and Minerals and the Construction Industries Division on ways to ensure energy and water efficiency in new affordable housing developments. MFA will also seek to coordinate funding from the utility companies (e.g. PNM) to subsidize energy efficient upgrades in affordable housing developments.

These awards will be in the form of below-market rate debt. Exceptions may be made for transitional and permanent rental housing, SROs and group homes targeted for populations at or below 30 percent of the area median income. Staff may determine limits on the amount of funds available on an annual basis that will be awarded as grants versus loans. If the majority of HOME/Rental funds are drawn prior to completion and lease-up, guaranties by entities acceptable to MFA will be required.

The HOME Rental Development program includes two components: HOME Rental Incentives funds and HOME/LIHTC. HOME/LIHTC funds apply to projects that are simultaneously awarded federal Low Income Housing Tax Credits for new construction, acquisition and rehabilitation, or refinancing and rehabilitation of affordable rental housing. Projects using HOME funds in conjunction with the tax credit program must meet all the conditions and requirements set forth in the 2013 Qualified Allocation Plan (QAP). HOME funds will be awarded on the basis of tax credit scoring until all HOME funds allocated for this purpose have been awarded. Based on availability of funds, HOME/Tax Credit awards may not exceed the lesser of (a) \$12,500 per unit for CHDOs/\$7,500 for non-CHDOs, or (b) \$450,000 for an entire project. Award amounts and payment structures will be determined by the debt capacity of the individual project, and underwriting terms used to determine principal and payment amounts will meet the standards adopted for the LIHTC and HOME programs.

A separate pool of HOME funds, HOME/Rental Incentives, cannot be used for projects that receive allocated tax credits, although projects receiving tax credits associated with private activity bond volume cap (*i.e.*, 4 percent credits) are eligible. Based on availability of funds, HOME/Rental Incentive awards may not exceed the lesser of (a) \$30,000 per unit, (b) \$550,000 for an entire project, or (c) 80 percent of the project's total development cost. The primary mortgage may be derived from tax-exempt bonds, 501(c)(3) bonds, conventional loans or other sources, and award amounts and payment structures will be determined by the debt capacity of the individual project. Applications for these HOME funds will be accepted and reviewed on a continuous basis until all HOME funds allocated for this purpose have been awarded.

MFA will provide additional incentives to encourage the development of special needs housing utilizing rental development resources and programs. In exchange for the funds the owner will agree to set aside a certain number of units for permanent supportive housing and to provide on-site social services.

Funds are also available to HOME/Rental Development projects meeting these guidelines and sponsored by certified CHDOs. MFA will set-aside 15 percent of its HOME allocation for CHDO development projects.

TECHNICAL ASSISTANCE

The MFA will allocate resources toward developing the capacity of local partners to produce more affordable units. MFA General Funds will be allocated to increase capacity in several areas. In 2013, funds will be allocated to improve MFA partners' capacity to: 1) develop affordable single family

housing; 2) improve capacity statewide to provide owner-occupied rehabilitation; 3) support a statewide permanent supportive housing developer; 4) increase partners' capacity to produce multifamily rental housing; and 5) provide management and organizational development.

Additionally, funds will be allocated to help local governments produce housing plans. These funds will be used to provide training, to contract with experts to work closely with partners in developing housing and housing plans and where appropriate, to enter into contracts for services with partners for services they provide. MFA is committed to continue identifying or increasing the capacity of local non-profit organizations to administer rehabilitation projects and to undertake small development projects.

D.2. DFA RESOURCE USE

Several Resources are available through the CDBG, Section 108 Loan Guarantee Program and the NSP Programs.

CDBG

The CDBG program requires that assistance be made available for activities that address at least one of the following: benefit principally low and moderate income families (up to 80% of Area Median Income); aid in the prevention or elimination of slums or blight; or meet other community development needs of recent origin having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

Under the CDBG program eligible applicants can apply for one of the following categories, community infrastructure, housing, public facility capital outlay, economic development, emergency; colonias, and planning.

CDBG Community Infrastructure funds can be used for eligible activities that may include, but are not limited to, the following: real property acquisition, construction or rehabilitation of the following, water systems, sewer systems, municipal utilities, roads, streets, highways, curbs, gutters, sidewalks, storm sewers, street lighting, traffic control devices, parking facilities, solid waste disposal facilities. Local Governments, excluding the entitlement areas can apply once a year for up to \$500,000 for CDBG Infrastructure funds.

CDBG Eligible Housing activities may include, but are not limited to, the following, real property acquisition; rehabilitation, clearance, demolition and removal of privately-owned or acquired property for use or resale in the provision of assisted housing, provision of public facilities to increase housing opportunities, financing the repair, rehabilitation and in some cases reconstruction of privately-owned residential or other properties through either loan or grant programs, certain types of housing modernization, temporary relocation assistance, code enforcement, historic preservation activities, not to exceed sixty five thousand dollars (\$65,000) in CDBG funds per home can be used on home rehabilitation/repair activities. Local Governments, excluding the entitlement areas can apply throughout the year for up to \$500,000, as long as funds are available.

CDBG Public facility eligible activities may include, but are not limited to, such items as, real property acquisition, construction or improvement of community centers, senior citizen centers, nonresidential

centers for the handicapped such as sheltered workshops, other community facilities designed to provide health, social, recreational or similar community. Local Governments, excluding the entitlement areas can apply once a year for up to \$500,000 for CDBG Public facilities.

CDBG Economic development funds can be used to assist communities in the promotion of economic development. Eligible Economic development activities may include, but are not limited to, acquisition of real property, construction, reconstruction rehabilitation, or installation of public facilities, site improvements, and utilities, and commercial or industrial buildings or structures and other commercial or industrial real property improvements and planning. Local Governments, excluding the entitlement areas can apply throughout the year for up to \$500,000 for CDBG Economic Development Funds, as long as funds are available.

CDBG emergency funds provide funding for emergency projects which address life threatening situations resulting from disasters or imminent threats to health and safety and are of recent origin and other financial resources are not available to meet such needs. Local Governments, excluding the entitlement areas can apply throughout the year for up to \$500,000 for CDBG emergency funds, as long as funds are available.

CDBG planning funds may include, but are not limited to, items such as; consolidated plan and special studies such as base mapping, aerial photography, geographic information systems, or global positioning, satellite studies, improvement of infrastructure capital improvement plans and individual project plans, development of codes and ordinances, that further refine the implementation of the comprehensive plan, climate change mitigation and adaptation plan, preliminary engineering report (according to USDA/RUS guidelines), related citizen participation or strategic planning process; or other functional or comprehensive planning activities, asset management plan, regionalization of infrastructure and service delivery. Applicants may apply for up to \$50,000 for CDBG planning funds throughout the year, as long as funds are available.

An application workshop will be held on October 18 and 19, 2012, for all eligible applicants with the application submission due in January of 2013. DFA will review CDBG applications on the rating and ranking criteria identified in the CDBG Rules and Regulations. Once the rating and ranking is complete, a recommendation is submitted to the CDC. Qualified applicants are allowed to speak on behalf of their applications and answer any questions before the CDC at a scheduled application hearing. With the recommendations from staff and the information provided at the hearing, the CDC allocates CDBG funds in an open public meeting. The Section 108 Loan Guarantee will use a method of distribution similar to the CDBG program.

DFA will ensure that at least 70 percent of CDBG funds are used for activities that benefit low-moderate income persons.

10% of the annual CDBG allocation will be set-aside for Colonia's areas. Specific Colonia's activities include water, sewer and housing improvements, which are the three conditions which qualify communities for designation to be carried out in areas along the U.S. - Mexican border. Colonias eligible applicants are municipalities and counties located within 150 miles of the U.S. - Mexico border. Colonias must be designated by the municipality or county in which it is located.

2 percent plus \$100,000 for administration, and 1 percent for technical assistance (TA) of the annual

CDBG allocation will be set-aside. Technical Assistance is provided to grantees in order to increase capacity of grantees carrying out eligible CDBG. Technical assistance visits to CDBG grantees help avoid problems and improve performance. Technical assistance ranged from project file set up and pre-construction conference attendance as well as one on one CDBG implementation training and preparation for the CDBG applications. DFA staff also provides in-house TA.

Program Income is no longer applicable for CDBG. Any remaining balances are allocated at the discretion of the Community Development Council (CDC) for planning, housing, economic development and/or emergency projects.

SECTION 108 LOAN GUARANTEE PROGRAM

Section 108 is the loan guarantee provision of the CDBG program. Section 108 Loan Guarantee Program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Activities eligible for Section 108 Loan Guarantee Program financing include: economic development activities eligible under CDBG, acquisition of real property, rehabilitation of publicly owned real property, housing rehabilitation eligible under CDBG, construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements), related relocation, clearance, and site improvements, payment of interest on the guaranteed loan and issuance costs of public offerings, debt service reserves, public works and site improvements in colonias; and in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility under the Section 108 Loan Guarantee Program the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

The principal security for the loan guarantee is a pledge by the State of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

The maximum repayment period for a Section 108 Loan Guarantee Program is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

NSP3

The NSP3 program has single family homes available for purchase by low to moderate income persons. A homebuyer's annual household income cannot exceed 120% Area Median Income. NSP3 eligible homeowners can be assisted with a Soft Second Mortgage in an amount equal to the home sales price, less any homebuyer contributions, less any NSP-3 down payment assistance and less the homebuyer's private mortgage loan.

The NSP3 program can also assist eligible homebuyers with up to one and half of the then current down payment amount required by the Federal Housing Administration and can assist with closings costs.

The NSP3 program will also be used to provide homebuyer counseling for any eligible NSP3 homebuyers. During the counseling some of the items discussed are preparing for homeownership, how to obtain a mortgage, how to negotiate a purchase, the closing process and maintaining the home after purchase.

E. INVESTMENT OF HUD RESOURCES IN 2013

Over the upcoming five year planning cycle, and initiating in plan year 2013, the following represents how both the MFA and DFA will allocate its resources. However, because nearly all the HUD HOME and CDBG program activities are based upon a competitive process, with the financed projects being selected through a competitive bidding process, precise descriptions are not yet possible. However, the following narrative provides some indications as to how the upcoming geographic ranking will be accomplished.

E.1. DFA METHODOLOGY FOR ADMINISTERING CDBG PROGRAM RESOURCES IN 2013

The Community Development Council (CDC) and DFA have developed rating and ranking criteria for evaluation of CDBG projects. The selection criteria in the rating and ranking system will give priority to projects which firmly demonstrate the following: need, appropriateness, impact, and benefit to low and moderate income persons. Rating and Ranking criteria can be found in Rule 2.110.2 of the New Mexico Administrative Code.

E.2. MFA METHODOLOGIES FOR ADMINISTERING HOME PROGRAM RESOURCES IN 2013

The MFA has updated its set of ranking criteria to reflect the most current data available. Down payment assistance will continue on a first-come first-served basis and Colonias and Native American trust lands will be assigned extra points in all competitive grant applications. Furthermore, developers of any new construction will be made aware of the construction accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. MFA is not investing HOME funds in ways other than those allowed in 92.205(b).

The 2013 project categories are:

- Homebuyer Assistance
- Owner-Occupied Rehabilitation
- New single-family development
- Rental acquisition and rehabilitation
- New rental construction
- CHDO Operating Funds

10% of HOME funds are designated for administrative fees, including subgrantee administrative costs for the Owner Occupied Rehab and lead-based paint remediation activities.

F. OBSTACLES IN MEETING UNDERSERVED NEEDS

Even though there are a variety of resources available, they are insufficient to address the degree of housing and community development needs in the state of New Mexico. The state has many high-poverty, low-employment areas with aging and substandard housing stock and many infrastructure needs. Meeting the needs in the Colonias, in particular, remains especially difficult, due to the significant lack of even minimal infrastructure capacity. Additionally, using federal funds on tribal lands presents its own set of unique challenges, including having a clear title to land, placing encumbrances on land, working with a number of tribal entities and political systems. Land grant communities face the same obstacles as tribal lands because the land is not simply owned by individuals. Finally, there is a lack of capacity or a distribution network in many rural New Mexico communities, which makes it difficult to deliver services where they are needed.

IV. Housing and Community Development Strategies

A. 2011-2015 HOUSING AND COMMUNITY DEVELOPMENT PLAN SUMMARY

The following list presents the overriding strategies and goals of the New Mexico Five-Year Consolidated Plan for Housing and Community Development, including selected performance criteria associated with each strategy and goal. Furthermore, there may be a need to direct such housing resources by use of project selection criteria, which may be updated annually, based upon year-to-year need and local circumstances.

The strategies the state will pursue over the next five years are as follows:

1. Expand the supply of quality affordable housing
 - a. Provide multi-family rental new construction
 - b. Finance multi-family acquisition and rehabilitation
 - c. Enhance homeowner new construction
2. Increase opportunities for homeownership
 - a. Provide financial assistance to prospective homeowners
 - b. Assist with single-family acquisition/rehabilitation
3. Preserve the state's existing affordable housing stock
 - a. Provide resources for owner-occupied homeowner housing rehabilitation
 - b. Finance multi-family rehabilitation
4. Provide housing for special needs populations, including persons with HIV/AIDS
 - a. Encourage the development of special needs housing with services
 - b. Expand housing opportunities and access for special needs populations
 - c. Fund non-profit entities providing housing and related services for persons living with HIV/AIDS
5. Reduce the incidence of homelessness
 - a. Increase the number of available living environments, primarily transitional and permanent housing situations
 - b. Increase the level of services provided to the homeless and persons at risk of homelessness
6. Enhance the quality of New Mexico's infrastructure and public facilities
 - a. Fund improvements to non-CDBG entitlement area water/wastewater systems and streets
 - b. Fund infrastructure improvements in the colonias
 - c. Enhance the accessibility and usefulness of public facilities
 - d. Encourage planning that includes comprehensive planning, asset management, preliminary engineering reports and any other studies or plans listed in rules and regulations
 - e. Encourage more housing related activities
 - f. Encourage more economic development projects

Each of the strategies identified above, as well as the objectives consistent with each strategy are discussed in greater detail below. Performance measurement criteria are presented at the end of each strategy narrative.

STRATEGY 1: EXPAND THE SUPPLY OF QUALITY AFFORDABLE HOUSING

The population throughout New Mexico continues to increase, and this growth is occurring more quickly in the urban areas and more slowly in the rural areas of the state. The demand for quality affordable homeowner and rental housing will continue to rise along with population, but at different rates depending on the local community's economic, demographic and housing market conditions. The goal of the MFA's housing programs is to serve low- and moderate-income households while distributing program resources equitably and in response to specific needs around the state. The MFA will also continue to work with CHDOs, for-profits, non-profits, regional and local housing authorities, tribal housing entities, lenders, cities, municipalities, counties and other state agencies to facilitate new homeownership and rental housing development.

OBJECTIVES

Provide Multi-family Rental Housing New Construction

Because New Mexico's population is expanding but a portion of the population may not be ready for homeownership, there remains a need to provide affordable new construction for rental opportunities. The new construction needs to be handled in a thoughtful manner that takes into consideration the issues of the entire community.

This objective can be accomplished through the following goals:

1. Encouraging leveraging of federal resources to generate multi-family rental housing new construction
2. Facilitating CHDO set aside resources for multi-family new construction
3. Funding new multi-family rental construction
4. Funding energy efficient rental construction

Conduct Multi-family Acquisition and Rehabilitation

Because New Mexico's population is expanding and persons still may prefer to rent rather than own, there remains a need to acquire additional and suitable rental opportunities.

This objective can be accomplished through the following goals:

1. Encouraging leveraging of federal resources to stimulate multi-family rental housing acquisition and rehabilitation
2. Facilitating CHDO set aside resources for multi-family acquisition and rehabilitation
3. Funding multi-family acquisition and rehabilitation

Enhance Homeowner New Construction

Because New Mexico's population is expanding and many people wish to have the financial capability to

be homeowners, there remains a need to provide affordable new construction for single-family homeownership. Recognizing the current market conditions, new construction needs to be handled in a thoughtful manner that takes into consideration the issues of the entire community.

This objective can be accomplished through the following goals:

1. Assuring that mortgage funding is available to prospective eligible homeowners, with such new homes defined as new construction and new manufactured housing installations on permanent foundations
2. Funding energy efficient residential development
3. Facilitating the donation of state and local land, buildings, infrastructure or cash resources for the development of affordable housing single-family projects

PERFORMANCE MEASUREMENT CRITERIA

Provide Rental Housing New Construction:

Availability/Accessibility: The number of eligible households that benefit from new rental construction

Affordability: The number of affordable rental housing units that have been built

Sustainability: The number of affordable rental housing units that have been added to the affordable rental housing stock

Conduct Multi-family Acquisition and Rehabilitation

Availability/Accessibility: The number of eligible households that benefit from multi-family acquisition and rehabilitation

Affordability: The number of multi-family rental units that have been acquired, rehabilitated, and are affordable

Sustainability: The number of multi-family rental units that have been acquired, rehabilitated and added to the affordable rental housing stock

Enhance Homeowner New Construction:

Availability/Accessibility: The number of eligible households that benefit from new construction

Affordability: The number of affordable single-family units that have been built for homeownership

Sustainability: The number of affordable single-family units that have been added to the stock affordable housing units

STRATEGY 2: INCREASE OPPORTUNITIES FOR HOMEOWNERSHIP

MFA and its service partners are committed to enhancing opportunities for homeownership to Income eligible citizens.

OBJECTIVES

Provide Financial Assistance to Income Eligible Homebuyers

This objective can be accomplished through the following goals:

1. Furnishing homebuyer education classes, financial counseling and post-purchase educational opportunities
2. Providing loans, financing and access to credit to income qualified buyers
3. Providing down payment assistance, providing closing cost assistance, reducing the principal loan amount, or buying down the interest rate

Assist with Single-Family Acquisition and Rehabilitation

This objective can be accomplished through the following goals:

1. Funding owner-occupied rehabilitation
2. Redeveloping owner-occupied home sites with homes that are unsuitable for rehabilitation
3. Providing emergency repair, weatherization or accessibility improvements to owner-occupied housing units
4. Funding home loans for the acquisition and rehabilitation of existing housing units

PERFORMANCE MEASUREMENT CRITERIA

Provide Financial Assistance to Income Eligible Homebuyers:

Availability/Accessibility: The number of eligible households that have received educational training, financial counseling or post-purchase educational opportunities

Affordability: The number of eligible households that have been able to purchase their first home

Sustainability: The number of affordable units that have been acquired by homebuyers through MFA assistance

Assist with Single-Family Acquisition and Rehabilitation:

Availability/Accessibility: The number of homeowner households that have benefited from acquisition and rehabilitation

Affordability: The number of affordable units that have undergone acquisition and rehabilitation

Sustainability: The number of affordable units that have been rehabilitated and added to the stock of affordable housing units

STRATEGY 3: PRESERVE THE STATE'S AFFORDABLE HOUSING STOCK

The state of New Mexico has many housing units that are indicative of key cultural and societal values, but at the same time these units are in need of repair and maintenance. Furthermore, some areas of the state are growing slowly, thereby affecting demand for existing structures in need of upkeep. It is the position of the MFA that for those homes that are suitable for rehabilitation, efforts need to be taken to preserve properties suitable for repair as well as those properties with historic, architectural or cultural value for future generations.

OBJECTIVES

Conduct Owner-Occupied Homeowner Housing Rehabilitation

This objective can be accomplished through the following goals:

1. Facilitating owner-occupied housing rehabilitation
2. Redeveloping owner-occupied home sites having homes that are unsuitable for rehabilitation
3. Providing emergency repair, weatherization or accessibility improvements to owner-occupied units
4. Funding home loans for the acquisition and rehabilitation of existing housing units

Implement Rental Rehabilitation

This objective can be accomplished through the following goals:

1. Encouraging leveraging federal resources to stimulate rental housing acquisition and/or rehabilitation
2. Facilitating CHDO set aside resources for rental rehabilitation
3. Funding rental rehabilitation

PERFORMANCE MEASUREMENT CRITERIA

Conduct Owner-Occupied Homeowner Housing Rehab:

Availability/Accessibility: The number of eligible homeowner households that have received such rehabilitation

Affordability: The number of affordable housing units that have been repaired

Sustainability: The number of affordable homeowner units that have been rehabilitated and remain affordable

Implement Rental Rehabilitation:

Availability/Accessibility: The number of eligible households that have benefited from multi-family rehabilitation

Affordability: The number of rental units that have undergone rehabilitation and remain affordable

Sustainability: The number of units that have been rehabilitated and become additions to the affordable rental housing stock

STRATEGY 4: PROVIDE HOUSING FOR SPECIAL NEEDS POPULATIONS, INCLUDING HIV/AIDS

Throughout the state of New Mexico, there remain a number of groups with developmental, physical and other disabilities that are in need of housing and housing related services, including persons living with HIV or AIDS. Furthermore, areas of the state have these needs in varying degrees.

OBJECTIVES

Encourage the development of special needs housing with services

This objective can be accomplished through the following goals:

1. Providing grants for pre-development costs for special needs housing development
2. Providing low-interest loans to make accessibility improvements for people with disabilities
3. Providing financial incentives for supportive housing for the elderly, persons with mental or physical disability, and other special needs populations

Expand housing opportunities and access for special populations.

This objective can be accomplished through the following goals:

1. Providing funds to make accessibility improvements to existing rental housing for people with disabilities
2. Providing financial incentives for the development of rental housing supportive services for the elderly, persons with physical or mental disability and other special needs populations
3. Provide rental assistance for persons with special needs

Fund entities providing housing and related services for persons with special needs, including HIV positive persons and persons living with AIDS.

This objective can be accomplished through the following goal:

1. Providing funds to non-profit organizations that serve people with special needs, including those who are HIV-positive and/or are living with AIDS, such as short term rent, mortgage and utility payments, continued rental assistance for low-income households, and related supportive services
2. Promote the leveraging of CDBG, ESG, Home, McKinney-Vento Continuum of Care, HUD's special voucher programs and state Housing and Services funds, with new funding sources
3. Support the development of supportive housing units for extremely low-income households (30 percent of AMI or below) and households with incomes below the poverty line

PERFORMANCE MEASUREMENT CRITERIA

Encourage the development of special needs housing with services:

Availability/Accessibility: The number of persons served with housing or with housing related services; the number of households served with housing or with housing related services

Affordability: The number of housing units that have been made available for the special needs populations

Sustainability: The number of units that have been made available for the special needs populations and added to the affordable housing stock

Expand housing opportunities and access for special needs populations:

Availability/Accessibility: The number of special needs persons served; the number of households served with housing or with housing related services, the number of affordable rental units that have been made accessible for the special needs populations

Affordability: The number of rental units that have been created or modified for accessibility and that remain affordable

Sustainability: The number of units that have been made accessible and added to the affordable housing stock

Fund entities providing housing and related services for persons with special needs, including HIV-positive persons and persons living with AIDS.

Availability/Accessibility: The number of HIV/AIDS households served with housing without related services; the number of HIV/AIDS households served with housing and related services

Affordability: The number of HIV/AIDS households that were assisted without services; the number of HIV/AIDS households that were assisted with services

Sustainability: The number of HIV/AIDS households that were added to the HIV/AIDS available stock of units

STRATEGY 5: REDUCE THE INCIDENCE OF HOMELESSNESS

While the population is continuing to grow, the incidence of homelessness remains a troublesome difficulty for the state. The MFA is committed to reducing the incidence of homelessness throughout New Mexico.

OBJECTIVES

Increase the level of services provided to people experiencing homelessness:

This objective can be accomplished through the following goals:

1. Enhancing homeless prevention activities, to include counseling and other training opportunities
2. Expanding rapid re-housing activities to include rental assistance and stabilization services

Increase the number of available living environments

This objective can be accomplished through the following goals:

1. Improving the data collection methods for determining homeless populations, especially in rural areas
2. Expanding the supply of transitional housing units for people experiencing homelessness
3. Expanding the supply of permanent supportive housing for people experiencing homelessness

PERFORMANCE MEASUREMENT CRITERIA

Increase the level of services provided to people experiencing homelessness:

Availability/Accessibility: The number of homeless persons provided with services; the number and types of services provided to persons experiencing homelessness

Affordability: The number of persons who gained a stable transitional or permanent housing situation

Increase the number of available living environments:

Availability/Accessibility: The number of homeless persons using a transitional housing unit; the number of homeless persons placed in permanent supportive housing units

Affordability: The number of transitional housing units created; the number of permanent supportive housing units created

Sustainability: The number of previously homeless persons in transitional housing; the number of previously homeless persons placed in permanent supportive housing

STRATEGY 6: ENHANCE THE QUALITY OF INFRASTRUCTURE, PUBLIC FACILITIES AND HOUSING

DFA has the responsibility of administering the state's CDBG Program. This program is directed outside of the state's CDBG entitlement communities.

This strategy will include a focus on providing a suitable living environment through:

- Water, wastewater and streets: Funds will be allocated to improve the infrastructure for low and moderate income persons and priority will be given to those that are shovel-ready.
- Colonia: Funds will be allocated to improve the infrastructure and housing needs in the colonias and priority will be given to those that are shovel-ready.
- Public facilities: Funds will be allocated to projects that support human service needs through funding emergency services, special needs groups, seniors, elderly and disabled individuals in order to be supportive of communities in the state and service low and moderate income persons; priority will be given to those communities that are shovel ready.
- Planning: Funds will be allocated to projects that update their comprehensive plans, new comprehensive plans, asset management plans, preliminary engineering reports, and other plans and studies identified in rules and regulations.

The strategy will also focus on providing decent housing through allocating funding to projects related to housing activities for low to moderate income persons and priority will be given to housing rehabilitation projects. Expanding economic opportunities will be achieved through allocating funds to projects that improve economic opportunity for low and moderate income persons and priority will be given to projects that create and/or retain jobs. Provide emergency funding to those projects that address life threatening situations resulting from disasters or imminent threats to health and safety.

OBJECTIVES

Enhance the quality of New Mexico's Infrastructure, Public Facilities, and Housing

This objective can be accomplished through the following goals:

1. Funding improvements to non-CDBG entitlement area water/wastewater systems and streets
2. Funding infrastructure improvements in the colonias
3. Enhancing the accessibility and usefulness of public facilities
4. Encourage planning that includes comprehensive planning, asset management, preliminary engineering reports, and any other studies or plans listed in rules or regulations
5. Encourage more economic development projects
6. Funding emergency projects that address life threatening situations from disasters or imminent threats to health and safety.

PERFORMANCE MEASUREMENT CRITERIA

Enhance the quality of New Mexico's Infrastructure, Public Facilities and Housing:

Availability/Accessibility: The number of water or wastewater projects and streets completed; the

number of colonias projects completed, by type of project; the number of planning projects that will provide readiness; the number of housing units produced and/or rehabilitated

Affordability: The number of eligible persons assisted with new water or wastewater systems; the number of persons within colonias assisted with water/wastewater or other infrastructure projects; the number of eligible persons who the improved facilities will serve

Sustainability: The economic development benefits imparted to each community receiving the enhanced infrastructure investments, including the colonias; the economic development benefits imparted to each community whose public facilities have been improved

B. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

In exchange for federal funds, the state of New Mexico is required to submit to the U.S. Department of Housing and Urban Development (HUD) certification that it is affirmatively furthering fair housing. This certification has three elements and requires that the state:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI);
2. Take actions to overcome the effects of any impediments identified through the analysis; and
3. Maintain records reflecting the actions taken in response to the analysis.

HUD defines impediments to fair housing choice in terms of their applicability to local, state and federal law. In New Mexico, barriers would include:

- Any actions, omissions or decisions taken because of race, color, religion, national origin, sex, familial status, mental or physical disability, ancestry, sexual orientation, gender identity, and spousal affiliation (protected classes) which restrict housing choices or the availability of housing choice.
- Any actions, omissions or decisions which have the effect of restricting housing choices or the availability of housing choice on the protected classes previously listed.

B.1. FAIR HOUSING CERTIFICATION

In accordance with the applicable statutes and regulations governing the consolidated plan, the MFA and DFA certify that they will affirmatively further fair housing. This means that the MFA and DFA have conducted an AI within the state, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard. To that end, the following Affirmative Marketing policy was adopted by MFA.

Affirmative Marketing Procedures

MFA and all local units of government and CHDOs that participate in or receive HOME funds to assist five or more units must comply with 24 CFR Part 92 Subpart H 92.351. In order to comply, affirmative marketing procedures and requirements must be adopted.

Each grant recipient must display in public view, English and Spanish version posters affirming Equal Housing Opportunity as amended under the Fair Housing Amendments Act of 1988.

MFA certifies that HOME program funds will be awarded in accordance with the non-discrimination and

equal opportunity requirements set forth in the program regulations. MFA will provide the recipients with all applicable non-discrimination laws. Recipients will be provided with procedures outlining corrective action for non-compliance. The Minority Business Directory can be obtained by accessing the website at <http://www.housingnm.org/relevant-federal-regulations>.

MFA will require grant recipients to establish appropriate procedures and requirements to affirmatively market units in the HOME projects and to assess the results of their efforts in accordance with the HOME program regulations. Procedures and requirements must include the following:

- The methods for informing the public, owners, and potential tenants about the federal fair housing laws and the grant recipient's affirmative marketing policy.
- The requirements and practices for owners to follow in complying with the grant recipient's affirmative marketing procedures and requirements.
- The special outreach procedures to be used by owners to inform and solicit applications from persons in the housing market area who would not otherwise apply. The owner may wish to use community organizations, places of worship, employment centers, fair housing counseling agencies, social service centers, and other resources for this outreach.
- The owner must maintain a listing of all tenants residing in each unit at the time of application submittal through the end of the compliance period.
- The owner must maintain a file containing all marketing efforts (i.e. copies of newspapers, calls, letters, etc).
- Records must be kept on file describing efforts and results of grant recipients and owners in affirmatively marketing units.
- Owner advertisement of vacant units must contain the fair housing opportunity logo or statement.

DFA implements the following actions to reduce the barriers to affirmatively further fair housing:

- DFA provides Fair Housing training to all Grantees during the yearly Implementation workshop. The training covers additional laws of Title VI of the Civil Rights act of 1964 and Section 504 of the Rehabilitation Act of 1973 and provides awareness of the fair housing complaint system.
- DFA requires all grantees to conduct a Fair Housing self-analysis, develop a fair housing resolution or proclamation and conduct a fair housing activity annually. Examples of Fair Housing activities include; coloring contests, community housing fairs, etc.
- Each Grantee must display in public view, English and Spanish version posters affirming Equal Housing Opportunity as amended under the Fair Housing Amendments Act of 1988.
- NSP3 program requires Developers to submit an affirmative fair housing marketing plan. The plan specifically targets potential tenants and homebuyers who are least likely to apply for NSP housing, in order to make them aware of available affordable housing opportunities.

B.2. A SUMMARY OF THE 2010 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The 2010 Analysis of Impediments for the state of New Mexico uncovered several issues that can be considered barriers to affirmatively furthering fair housing and, consequently, impediments to fair housing choice. These issues are as follows:

- A. Lack of understanding of fair housing, including:
 - 1. Lack of knowledge of fair housing laws by both housing consumers and providers;
 - 2. Lack of awareness and use of fair housing complaint system;
 - 3. Lack of understanding of differences between affirmatively furthering fair housing, affordable housing production, and rights and responsibilities in the landlord/tenant transaction.
- B. Discrimination in the rental markets, particularly against the following protected classes:
 - 1. Disability, especially in the form of failure to make reasonable accommodation;
 - 2. Race;
 - 3. National origin;
 - 4. Familial status.
- C. High loan denial rates for racial and ethnic minorities as well as a greater proportion of high interest rate loans for racial and ethnic minorities, leading to greater risk for foreclosure.
- D. Limited role of the New Mexico Human Rights Bureau.
- E. Land-use and development practices may leave units of local government open to criticism for not operating in the spirit of affirmatively furthering fair housing.

SUGGESTED ACTIONS TO CONSIDER

In response to these listed impediments, MFA and DFA will consider taking the following actions:

- A. Enhance understanding of fair housing by:
 - 1. Orchestrating fair housing education opportunities such as online presentations or seminars for the following groups:
 - a. Housing consumers and the general public,
 - b. Housing stakeholders such as property managers, lenders and others involved with the provision of housing.
 - 2. Increasing awareness of the complaint system through distribution of flyers or brochures to include information regarding:
 - a. Protected classes under state and federal law,
 - b. Types of discriminatory issues,
 - c. How to file a complaint.
 - 3. Enhancing understanding of what constitutes affirmatively furthering fair housing by organizing required training for:
 - a. Representatives of MFA and DFA;
 - b. Representatives of MFA and DFA HOME and CDBG grantees.
- B. Improve understanding of credit markets through enhanced homebuyer training. Topics should include
 - 1. How to establish and keep good credit;
 - 2. How to recognize the attributes of a predatory loan.
- C. To address the perception of local land use and development practices that may not be in the spirit of affirmatively furthering fair housing, prepare a selection of “best practices” to be distributed to grantees of all housing-related activities. Then, open a dialogue with grantees about this particular issue.

B.3. ACTIONS MFA WILL TAKE IN 2013

During the 2013 program year, MFA will take the following actions in regard to its certification to affirmatively further fair housing:

1. Enhance knowledge of fair housing law and issues that are illegal and who is protected under state and federal law, particularly for members of minority racial and ethnic groups.
2. Enhance knowledge and use of complaint system and where to turn in case of alleged fair housing violation, particularly for members of minority racial and ethnic groups and areas of high concentration of lower income households.
3. Enhance understanding of credit markets, how to establish and keep good credit, and what are the attributes of a predatory loan, particularly for lower-income resident and minority racial groups that have higher denial rates and originated loans that have higher interest rate terms.

These activities will be implemented in such a fashion to ensure that those who tend to be most affected by fair housing violations, such as racial and ethnic minorities, particularly lower-income persons and renters, will have an enhanced understanding of fair housing. MFA has established a line item in its budget to track Fair Housing related expenses in order to report to HUD on expenditures. We have also added to our Personnel Activity Report, or PAR, a line to track the time spent by MFA staff on Fair Housing related activities.

B.4. ACTIONS DFA WILL TAKE IN 2013

During the 2013 Program DFA will take the following actions in regard to its certification to affirmatively further fair housing:

1. Enhance knowledge of fair housing laws and issues that are illegal and clarify who is protected under state and federal law particularly for members of minority racial and ethnic groups by distributing information through flyers and handouts. DFA will also conduct trainings annually on fair housing laws.
2. Enforcing that all CDBG grantees develop and adopt a Fair Housing resolution or proclamation annually
3. Require that all CDBG grantees must also conduct a Fair Housing activity annually
4. Require that all CDBG grantees must also conduct a fair housing self-assessment to better assess the fair housing needs in their community

C. BARRIERS TO AFFORDABLE HOUSING

A number of barriers to affordable housing exist in the state of New Mexico. In the north central and middle Rio Grande regions, high land costs are a barrier to affordability. It has been stated that anti-growth initiatives, impact fees and zoning, subdivision and building codes further increase costs. When median income does not increase as quickly as housing costs, many families qualify for housing assistance but cannot afford to live in the available housing. This results in families living long distances from their place of employment and negatively impacts the infrastructure in the communities they move to which become “bedroom” communities, disrupting the social fabric of some of New Mexico’s oldest communities.

In the very rural areas of the state, the lack of a housing market, i.e., supply, lack of management entities in those areas, and no comparison sales, creates large barriers to buying, selling housing, and even financing rehabilitation of existing units in these areas. In the remainder of the state, barriers include household credit issues, lack of financial knowledge, lack of building contractors, and lack of basic physical infrastructure.

The greatest barriers to homeownership are lack of verifiable income and little or bad credit of potential borrower households. A large number of these are working poor with sufficient income to purchase housing but who lack medical insurance and as a result have unpaid medical bills. In addition, there is a general lack of knowledge about the home buying process, financial management and the real estate market. Lack of knowledge is a significant barrier for a number of New Mexico households who are recent immigrants, have limited English proficiency, general lack of education or live on colonia or tribal lands.

These populations are particularly vulnerable to predatory lending and other predatory practices such as illegal land sales and subdivisions. Households that lack knowledge are also more likely to purchase manufactured housing or land with higher financing costs. Unique barriers exist on Native American trust lands which include an inability to prove income due to artisan cash trade and continuing challenges of financing on trust lands. For people with disabilities, the lack of available affordable and accessible or adaptable housing units is a barrier.

During the boom years, the rural nature of the state results in a situation where outside the metro areas there is little or no construction industry. The lack of a construction industry in small town New Mexico is a barrier to affordable housing in that it results in higher material and labor costs and restricts housing supply. This is changing as a result of the slump in new housing construction. During this economic downturn, more firms are willing to work on affordable housing projects. The lack of available contractors threatens the State's ability to preserve existing affordable housing units. Further, there is a shortage of the necessary skill sets among those contractors, such as lead-based paint abatement certification. This drives the costs of preserving existing housing even higher.

There are a number of additional challenges to doing affordable housing construction in the state including new codes that were effective as of July, 2008, differences in code interpretation among jurisdictions, rising insurance costs, liability and a large number of substandard manufactured housing units which cannot be rehabilitated. Leveraging of resources to perform rehabilitation creates complexity in terms of regulations, additional contracts and environmental reviews. A large challenge is the HOME regulations which prevent accessibility modifications without bringing the entire unit up to code.

Local jurisdictions largely determine land use, zoning, growth limits, fees and charges that affect the return on residential investment in New Mexico. Residential development in many areas of the state is constrained by water supply. Some communities in New Mexico have adopted strategies to limit or slow growth. These areas are generally high cost communities, where return on residential investment is generally high. Slow and no-growth policies in areas where demand for housing is strong are likely to contribute to increasing housing costs.

MFA and the state of New Mexico will take the following actions to remove barriers to affordable housing:

- Strengthen delivery channels and build capacity to develop and rehab housing in underserved areas;
- Increase the capacity of current organizations to provide housing counseling and financial fitness education around the state; and
- Encourage universal design or adaptability in new construction of single and multi-family homes.

D. LEAD-BASED PAINT HAZARDS

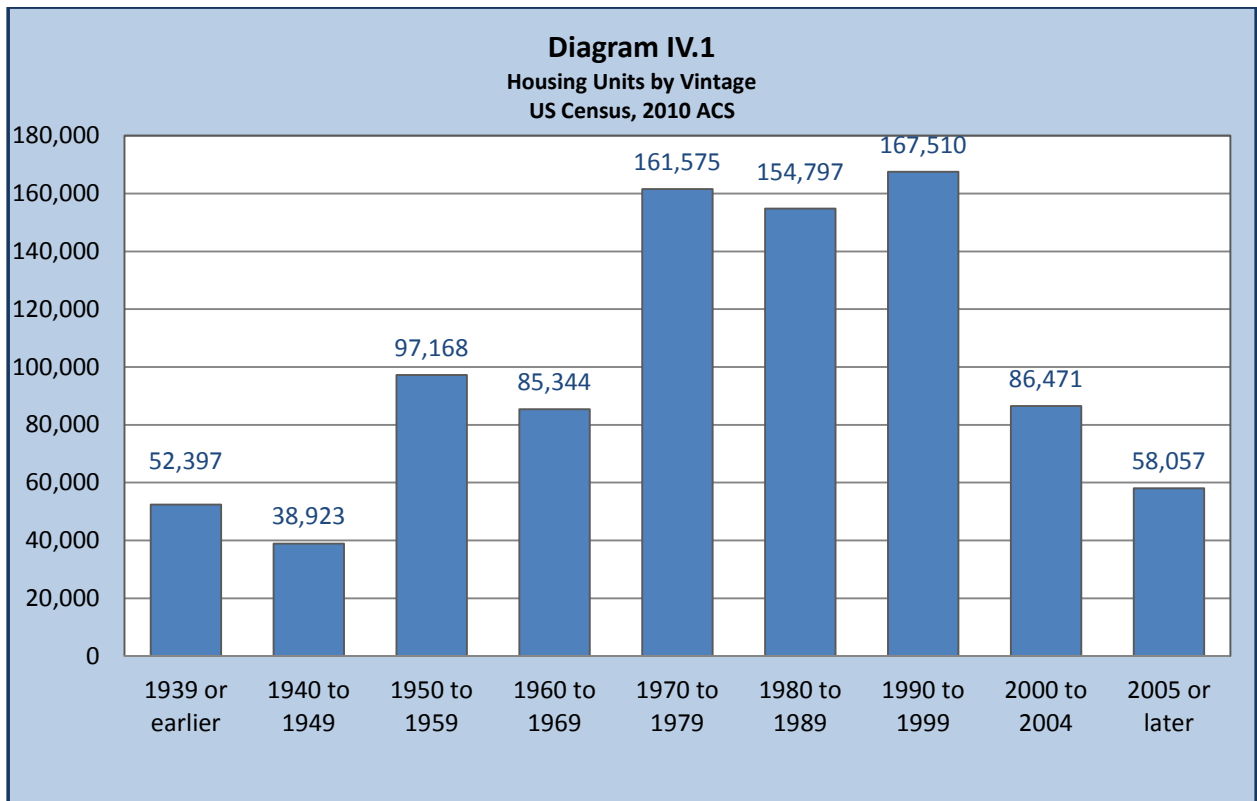
Housing units built before 1940 are most likely to contain lead-based paint. Units built between 1940 and 1978 have a lesser risk (lead was removed from household paint after 1978), although many older units may have few if any problems depending on construction methods, renovation and other factors.

According to the 2010 Census, there were 901,388 housing units in the state of New Mexico, with some 791,395 of them occupied, with 249,273 renters and 542,122 home owners. The remainder was vacant, as noted in Table IV.1.

Table IV.1 Housing Units by Tenure in the State of New Mexico 2010 Census, Summary File 1			
Entitlements	Entitled	Non-Entitled	Total
Occupied Housing Units	363,996	427,399	791,395
Owner-Occupied	212,746	329,376	542,122
Renter-Occupied	131,250	118,023	249,273
Vacant Housing Units	26,252	83,741	109,993
Total Housing Units	390,248	511,140	901,388

In the table above, Entitlements and Entitled refer to the five New Mexico entitlement communities, Albuquerque, Farmington, Las Cruces, Rio Rancho and Santa Fe. Non-entitled refers to the remainder of the state.

However, of the roughly 901,388 housing units counted in the 2010 Census, more than 50 percent were constructed prior to 1980, as noted in Diagram IV.1, below, a period of time when lead-based paint was common.



In fact, the risks to renters and homeowners vary significantly by tenure and by year. Using HUD's estimates of the proportion of housing units at risk of lead-based paint hazards by tenure and vintage, Table IV.2, below, indicates that more than 446,948 housing units are at risk of lead-based paint hazards, or more than 56.4 percent of the occupied housing stock (791,395 total occupied units).

Table IV.2
Lead-Based Paint Risks to Occupied Housing Units in the State of New Mexico
2010 Census Summary File 1

Year Built	Owner-Occupied	Renter-Occupied	Total Occupied Housing Units	Total Housing Units (Including Vacant)
Built 1939 or Earlier	30,371	13,965	44,336	50,498
Built 1940 to 1949	23,973	11,023	34,996	39,860
Built 1950 to 1959	56,582	26,017	82,599	94,079
Built 1960 to 1969	55,949	25,726	81,671	93,026
Built 1970 to 1979	101,933	46,870	148,803	169,485
Total Housing Units				
Built 1979 or Earlier	268,808	123,601	392,405	446,948

To overcome these prospective hardships, the MFA works in partnership with the regional Environmental Protection Agency office, DFA, Public Housing Authorities and other local partners to increase the number of trained, licensed and certified personnel able to determine the risks of lead hazards—and any corresponding remediation measures—of pre-1978 housing in New Mexico. Although housing rehab activities are underway and MFA applies the Lead-Safe Housing Rule uniformly, there still appear to be insufficient personnel trained in lead-safe work practices, licensed risk assessors and abatement contractors available in the state to perform remediation.

MFA will again set aside a percentage of the state's formula HOME administrative allocation for eligible lead-based paint assessment and remediation activities. This effort to make available additional funds for lead hazard remediation and abatement has encouraged additional businesses and organizations to receive appropriate training in order to provide these remediation services. Additionally, MFA will continue to train its partners throughout the state in the Lead-Safe Housing Rule and encourage sub-grantees and professionals statewide to receive formal training and any applicable lead-based paint certifications in an effort to improve the efficiency of the rehabilitation services delivery system.

Prior to NSP properties being acquired for rehabilitation a Lead Based Inspection is conducted on houses built prior to 1978. Only certified abatement contractors are used to stabilize the surfaces containing Lead Based Paint. During re-sale of NSP homes, Lead Based Paint pamphlets are provided to homeowners and a Lead Based Paint Disclosure is executed by both parties acknowledging if there was the presence of Lead Based Paint on that the property.

E. ANTI-POVERTY STRATEGY

The role the MFA performs in reducing poverty is to foster and promote self-sufficiency and independence. To better empower individual and families toward this goal, the following strategies will be put to work:

- Promote sustainable economic development through affordable housing and other community development activities;
- Assist households in achieving housing stabilities, which in turn reduces the likelihood of poverty;
- Encourage rental projects to provide services to tenants, including financial literacy;
- Maintain a strong relationship with the New Mexico Coalition to End Homelessness to enhance and promote stabilization of homeless individuals and families and encourage transition to stable, permanent housing situations;
- Enhance efforts to educate the public and interested persons about available supportive services that foster self-sufficiency and independent living arrangements; and
- Assist low-income households in reducing energy costs.

F. ANTI-DISPLACEMENT POLICY

Displacement occurs when a person moves as a direct result of federally-assisted acquisition, demolition, conversion, or rehabilitation activities, because he or she is:

- Required to move, or
- Not offered a decent, safe, sanitary and affordable unit in the project, or
- Treated “unreasonably” as part of a permanent or temporary move.

The term *displaced person* means any person that moves from real property or moves his or her personal property from real property permanently as a direct result of one or more of the following activities:

- Acquisition of or written notice of intent to acquire, or initiation of negotiations to acquire, such real property, in whole or in part, for a project.
- Rehabilitation or demolition of such real property for a project.
- Rehabilitation, demolition, or acquisition (or written notice of intent) of all or a part of other real property on which the person conducts a business or farm operation, for a project.

A person may also be considered displaced if the necessary notices are not given or provided in a timely manner and the person moves for any reason.

When a substantial number of persons will be displaced from their dwellings, the MFA and DFA ask owners to encourage the residents and community organizations in the displacement area to form a relocation committee. The committee shall include, when applicable, residential owner occupants, residential tenants, business people, and members of existing organizations within the area. In lieu of initiating a new process of citizen participation, public entities, which have conducted or are conducting a citizen participation process as part of an existing development program, will be utilized and committees they formed may be substituted if the goals of Citizen Participation will be reached.

During the relocation planning process the MFA and DFA will, at a minimum, guarantee the following:

1. Timely and full access to all documents relevant to the relocation program.
2. The provision of technical assistance necessary to interpret elements of the relocation plan and other pertinent materials.
3. The right to submit written or oral comments and objections, including the right to submit written comments on the relocation plan and to have these comments attached to the plan when it is forwarded to the local legislative body or the head of the state agency for approval.
4. Prompt written response to any written objections or criticisms.
5. Assurances that families living in the project area will be given the opportunity, if feasible, to return to the project area after completion of project activities.

The following narrative describes the activities that the state of New Mexico will undertake for each of the formula grant programs to which it receives funding: the HOME, CDBG, ESG, HPRP, NSP and HOPWA programs.

DFA requires grantees to adopt by resolution an Anti-Displacement and Relocation Plan annually regardless if the grantee is undertaking relocation activities.

This plan includes: a description of the proposed activity, the location on a map and approximate number of units described by size that will be demolished, a time schedule for commencement and completion of the demolition or conversion, the number of dwelling units described by size (number of

bedrooms) that will be provided as replacement dwelling units, the sources of funding and time schedule for the provision of replacement units, and the basis for concluding that each replacement unit will remain a low/moderate dwelling unit for ten years from the date of initial occupancy.

It describes a displacement strategy, which includes steps to minimize or prevent displacement, actions to assist displaced persons to remain in their present neighborhoods, and actions to otherwise mitigate adverse effects of displacement. The plan complies with Section 104(d) of the Housing and Community Development Act of 1974.

V. One Year Action Plan

A. MFA ADMINISTERED HOME PROGRAM

HOME funds will be invested, at a minimum, as a 0 percent interest due-on-sale loan for all activities except CHDO operating expenses and TBRA. Rental projects that provide transitional and permanent rental housing, SROs and group homes targeted for populations at or below 30 percent of the area median income may receive a grant instead of a loan.

A.1. MFA RESOURCES TO BE APPLIED IN 2013

When necessary, HOME funds will be recaptured due to a unit's noncompliance with HOME affordability requirements. Affordability is ensured through the recordation of restrictive covenants accompanied by a lien filed on the property. To ensure affordability, MFA has chosen the recapture provision over the resale option as discussed in HOME Investment Partnerships Program found in 24 CFR 92.254(a)(5).

RESALE AND RECAPTURE GUIDELINES

In general, all HOME activities require the borrower or beneficiary to execute, at a minimum, a Restrictive Covenants Agreement. All loans are due upon sale, transfer or refinance of the property. In the case of the DPA program, mortgage liens are placed in second position behind MFA's first time homebuyer mortgage backed security (MBS) program loans. In our Owner-Occupied Rehabilitation program, these liens can assume a variety of positions, including first. Finally, in the case of our Rental New Construction and Rehabilitation programs, a Land Use Restriction Agreement is executed along with the note and mortgage to ensure long term compliance with HUD guidelines.

All guidelines under which repayment must be made are spelled out in the Note, Mortgage and/or Restrictive Covenant documents. The period of affordability varies according to the amount of HOME subsidy. For Homebuyer Projects, the length of the affordability period is based on the amount of HOME funds invested in the property.

Affordability Period for Homebuyer Projects:

HOME Funds Provided	Affordability Period
<\$15,000	5 years
\$15,000 - \$40,000	10 years
>\$40,000	15 years

For Rental Projects, the length of the affordability period is based on the amount of HOME funds invested in the property, as well as on the nature of the activity funded.

Activity	Average Per-Unit HOME	Minimum Affordability Period
Rehabilitation or Acquisition of Existing Housing	<\$15,000	5 years
	\$15,000 - \$40,000	10 years 15 years
	>\$40,000	
Refinance of Rehabilitation Project	Any dollar amount	15 years
New Construction or Acquisition of New Housing	Any dollar amount	20 years

In the case of foreclosure on the property during the period of affordability, MFA will pursue a judgment against the borrower, via a cross-claim. This demonstrates that MFA has made every effort to recover the HOME funds on behalf of HUD. After the period of affordability, MFA files a disclaimer to the property.

In the case of a bankruptcy during the period of affordability, MFA files an answer and proof of claim on the property thus establishing MFA's interest in the property. After the period of affordability, a disclaimer is filed.

Recapture/Repayment guidelines vary by activity:

Down Payment Assistance Program (Recapture): Notes and Mortgages are executed by the borrower for these loans. The Affordability Period will begin to run on the date the Completion is entered into IDIS. If the Property is sold, refinanced or transferred so long as any or all of the Loan is unpaid and outstanding, and the Net Proceeds, as defined below, from the sale, refinance or other transfer are equal to or greater than the total amount of Borrower's Investment (down payment or equity), plus the balance due on the Loan, then Borrower will pay to Lender the entire balance due on the Loan including any accrued and unpaid interest. However, if the Property is sold, refinanced or transferred so long as any or all of the Loan is unpaid and outstanding, and if the Net Proceeds from the sale, refinance or other transfer of the Property are less than the total amount of Borrower's Investment, plus the balance due on the Loan, Borrower and Lender will share the Net Proceeds of such sale, refinance or other transfer, and will divide such proceeds pursuant to the following mathematical formula:

$$\frac{\text{Balance due on the Loan}}{\text{Balance due on the Loan} + \text{Borrower Investment}} \times \text{Net Proceeds} = \text{HOME (Loan) amount recaptured by MFA}$$

$$\frac{\text{Borrower Investment}}{\text{Balance due on the Loan} + \text{Borrower Investment}} \times \text{Net Proceeds} = \text{amount to Borrower}$$

For the purposes of this Mortgage, the term "Net Proceeds" means the sales price of the Property, less the amount necessary to repay any superior loans secured by the Property, with the exception of the Loan secured by this Mortgage and less any closing costs associated with such sale, refinance or other transfer.

Rental New Construction and Rehabilitation: Any unpaid balance of these loans is due in full during the period of affordability or upon the sale or transfer to an ineligible party.

HOME MATCH

Match requirements of the HOME program will be met by three primary sources: resources committed by grantees and local governments, proceeds from mortgage revenue bonds and MFA general fund interest subsidy. MFA qualifies for match reduction of 50% granted by HUD for FY 2013 due to fiscal distress, severe fiscal distress, and/or Presidential disaster declarations.

REFINANCE OF EXISTING DEBT

MFA may, at its discretion, use HOME funds for refinancing only when needed in order to permit or continue affordability of single family and rental units and rehabilitation is the primary activity. The same underwriting standards would apply as when we make an initial investment of HOME funds in the project, which include: Adequacy of management and owner; Feasibility of project to meet operational and debt service requirements, consistent with market; and Review of total development costs and sources available to meet these needs. The required period of affordability will be consistent with the HOME regulations based on the activity and the HOME per unit subsidy. This would be available jurisdiction wide. The HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

B. LOW INCOME HOUSING TAX CREDIT PROGRAM

The New Mexico LIHTC Qualified Allocation Plan (“QAP”) is drafted on an annual basis to be consistent with the state of New Mexico Consolidated Plan and Annual Action Plans. The QAP supports the development of affordable housing by setting priorities for those rental development projects that target the highest levels of affordability, for the longest period of time, in areas the rental housing is most needed and for the populations in most need of housing. Point categories are reviewed annually. The Qualified Allocation Plan Draft for 2013 is available on MFA’s website at <http://www.housingnm.org/publications>. It outlines the point categories, with the specific ranking criteria, as presented in Appendix B to this Plan.

C. HOMELESS STRATEGIC PLAN AND COORDINATION WITH THE CONTINUUMS OF CARE

A number of resources are expected to be available to address homeless needs in the state. These include Emergency Solution Grants, competitive Continuum of Care Grants, HOME TBRA, and state Homeless Assistance funds. The MFA provides resources from its General Fund to support activities of the New Mexico Coalition to End Homelessness.

In New Mexico, two CoCs address homeless needs in different regions of the state. These regions are depicted geographically in Map V.1, on the following page. The New Mexico Coalition to End Homelessness (NMCEH) coordinates both CoCs, but separate staff and offices are responsible for the Albuquerque and Balance of State CoCs. The Albuquerque CoC is coordinated by staff in Albuquerque under the direction of the City of Albuquerque Department of Family and Community Services, with is

the applicant. A separate office located in Santa Fe coordinates the Balance of State CoC. NMCEH will work with all the groups involved in the two CoC regions to consider combining the two CoC's into one region during the coming year.

The New Mexico Coalition to End Homelessness (NMCEH) was founded in 2000 to coordinate statewide efforts to end homelessness. Founded as a partnership between a group of nonprofit agencies and the New Mexico Mortgage Finance Authority, it has three major areas of operation: to support homeless service agencies in New Mexico, to educate people in New Mexico about homelessness, and to advocate for solutions to homelessness at the state Legislature and other government bodies.² The mission of the New Mexico Coalition to End Homelessness is “to assist communities to create solutions to homelessness from prevention through permanent housing by using action, advocacy, and awareness”. In addition to administering both CoCs in New Mexico, the coalition also offers training and technical assistance to nonprofit agencies and other groups in New Mexico, partners with other organizations to create supportive housing, manages the New Mexico Homeless Management Information System, and is engaged in campaigns to end child homelessness and the end veteran homelessness.

The data shown below was gathered by the NMCEH in its Point in time Count. The purpose of the Point-in-Time (PIT) count is to count the number of people who experienced homelessness in the state on one night. This provides a snapshot of how many people experience homelessness at a single point in time. The PIT count also provides an opportunity to collect some basic demographic information about who experiences homelessness in our community. This information is a critical part of our Continuum of Care application to the U.S. Department of Housing and Urban Development for federal funding for programs that serve people experiencing homelessness. This information also gives our local community some baseline data about the number of people who experience homelessness that we can use when designing policies and programs.

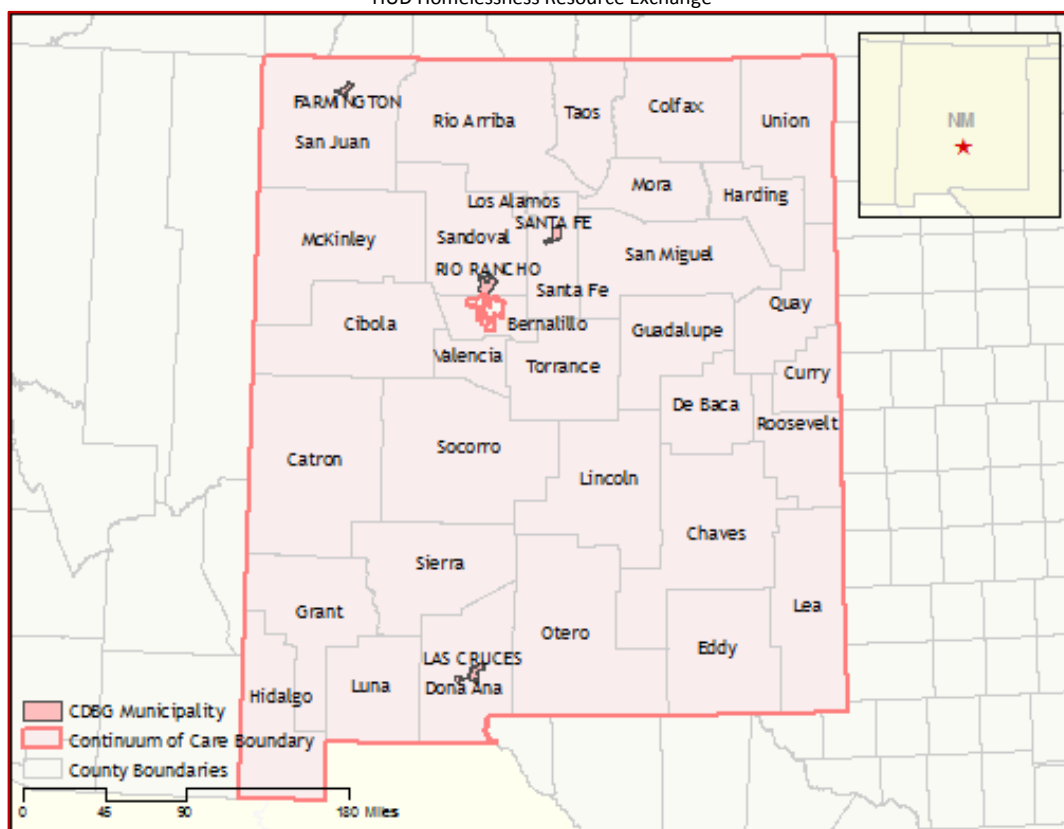
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² <http://www.nmceh.org/pages/about1.html>

The map below gives illustrates the areas of New Mexico served by both of the Continuums of Care.

Map V.1
Regions Served by Continuums of Care

HUD Homelessness Resource Exchange



The 2011 point-in-time counts performed by both CoCs provide a helpful estimation of the homeless population in New Mexico. Combining the counts provided by the two CoCs, it was estimated that 3,633 persons were homeless in the state in 2011, as shown in Table V.1.³ The counts also identified 304 homeless families with children.

Table V.1 Homeless Population State of New Mexico Continuums of Care ³				
Homeless Population	Sheltered		Unsheltered	Total ⁴
	Emergency	Transitional		
Individuals	637	465	1,241	2,343
Persons in Families with Children	348	658	126	1,132
Total	985	1,123	1,367	3,475
Families with Children	68	184	52	304

³The numbers provided in the table are exact sums of numbers provided by each of the CoCs in their Gaps Analysis Charts. As such, errors or discrepancies in the numbers provided in the individual charts are repeated in the population summary.

⁴Population counts drawn from Census 2000.

The point in time counts also gathered additional data on the gender of homeless adults and unaccompanied youth and the veteran status of homeless adults. Information on the gender of counted homeless persons in Albuquerque is presented in Table V.2, below. Males made up almost two thirds of the persons counted, with 939 individuals out of 1,309.

Table V.2 Characteristics of Albuquerque Homeless Population, by Gender Albuquerque Continuum of Care 2011 Point in Time Count		
Gender	#	%
Male	939	72%
Female	328	25%
Transgender	2	0.15%
Unknown	40	3%
Total	1,309	

Persons interviewed as part of the point in time count were also asked if they were veterans of the armed services. As seen in Table V.3, below, 14 percent of the persons counted were veterans of the armed services.

Table V.3 Veteran Status Statewide + Albuquerque 2011 Point in Time Count		
	#	%
Veterans	355	14%
Non Veterans	2,217	86%
Total	2,572	

The tables below, V.4 and V.5, show the number of homeless households and the number of people in those homeless households, distinguishing between those with and without children. In this instance, homeless is defined as having stayed in an emergency shelter, transitional housing program, outside, or in a place not meant for human habitation.

Table V.4 Total number of homeless households Albuquerque Continuum of Care 2011 Point in Time Count	
household type	
Households without dependent children	978
Households with dependent children	174
Total	1152

Table V.5 Total number of people in homeless households Albuquerque Continuum of Care 2011 Point in Time Count	
household type	
People without dependent children	1061
People in households with dependent children	610
Total	1671

The NMCEH will pursue the following CoC goals over the next year aimed at eliminating chronic homelessness and moving families and individuals to permanent Housing: create new PH beds for chronically homeless persons to reach a total of 217 beds; increase percentage of homeless persons staying in PH over 6 months to at least 84 percent; increase percentage of homeless persons moving from TH to PH to at least 80 percent; increase the percentage of homeless persons employed at exit to at least 25 percent; and decrease the number of homeless households with children. The NMCEH will also pursue these local goals:

- Goal 1: Strengthen the organizational infrastructure of NMCEH.
- Goal 2: Work toward financial self-sufficiency for NMCEH and its member agencies.
- Goal 3: Develop the capacity to measure progress on desired outcomes with the New Mexico Homeless Management Information System.
- Goal 4: Mobilize the members of NMCEH and its allies to achieve advocacy goals.
- Goal 5: Identify needs and coordinate development of new services to fill gaps in services in New Mexico

The New Mexico Coalition to End Homelessness, with financial support of MFA, will also pursue the following goals and action steps to address individuals and families with children that are at imminent risk of becoming homeless or for those that have become homeless to get them into housing as quickly as possible.

- Goal 1: Work on strengthening services and funding for homeless prevention
- Goal 2: Increase supply of supportive housing
- Goal 3: Increase incomes of homeless people
- Goal 4: Improve services for homeless people

D. EMERGENCY HOMELESS ASSISTANCE (EHAP)

The MFA administers the Emergency Homeless Assistance Program which is funded through HUD's Emergency Solutions Grant (ESG) program and an appropriation of the state of New Mexico to the state Homeless Program. This program continues funding for emergency shelters and essential services with an increased emphasis on local collaboration to maximize all resources.

Emergency Homeless Assistance uses ESG and State Homeless funds for homeless assistance including emergency shelter operations, essential services and data collection (Homeless Management Information System, or HMIS). Qualifying households must meet the HUD definition of homelessness.

All funds are distributed on a competitive basis to eligible local governments, tribal entities, and nonprofit organizations. Funds will be renewed annually with periodic requests for proposals to identify new providers. Restrictions on funding amounts include:

1. No organization will receive more than 15 percent of the total funds available.
2. Limits to activities under Emergency Homeless Assistance will be in place.
3. Administrative awards are issued to units of local government including local public housing authorities.
4. Tribal entities and regional housing authorities are not eligible to receive federal ESG funds and will receive only State Homeless funds.

E. RENTAL ASSISTANCE PROGRAM

The MFA administers the Rental Assistance Program (RAP) which is funded through HUD's Emergency Shelter Grant (ESG) program, HOME Tenant Based Rental Assistance (TBRA) and an appropriation of the state of New Mexico to the state Homeless Program. **MFA anticipates that this will be the final year using HOME funding for this activity, given the reductions in HOME funding.**

The Rental Assistance Program (RAP) is a combined program using HOME TBRA funds for rental assistance, and ESG and state Homeless funds for homeless prevention and homeless assistance. Under current ESG regulations, these are under the eligible activities of housing relocation and stabilization services and rental assistance. Qualifying households must be at or below 30 percent AMI, meet the HUD definition of homelessness or be at imminent risk of homelessness, and must have the means to achieve sustainable housing following program assistance, which is demonstrated through a housing stability plan. The local agency determines the length of assistance to be provided in its jurisdiction; however, TBRA assistance may not exceed 11 months of rent and ESG rental assistance may not exceed 24 months of assistance within 3 years.

TBRA and ESG funds are distributed on a competitive basis to eligible local governments, tribal entities, and nonprofit organizations. Tribal entities and regional housing authorities are not eligible to receive federal ESG funds and will receive only state Homeless funds.

Match requirements of the ESG program will be met by sub-grantees primarily using five sources and will vary depending on the agency: resources raised by local fund raising or cash, in-kind donations, non-profit grants including the United Way, and other Federal funds, which may or may not be passed through the state of New Mexico.

F. CONTINUUM OF CARE PERFORMANCE PROGRAM

The Continuum of Care Performance Program uses state Homeless funds and is operated in conjunction with the local Continuum of Care renewal process. Funds are awarded through limited source procurement to agencies renewing Continuum of Care awards, based on HUD performance measures and an adjustment factor to transition from the current program structure to the new program structure. State funds to address homelessness are used to provide incentives for agencies to meet and exceed HUD's performance measures for Continuum of Care programs, targeting these resources to where they can be most effective. Agencies may use funds for a variety of eligible activities tied to operating a Continuum of Care program, including supportive services, operations of supportive housing

programs, new construction, and rehabilitation.

G. HOPWA PROGRAM

The objective of the HOPWA Formula Grant Program is to address the high incidence of immunodeficiency syndrome cases that may cause low-income persons in New Mexico to become homeless by providing housing assistance and related supportive services for said persons and their families.

Funding under the HOPWA program will be available to units of local government and non-profit organizations that serve people who are HIV-positive and/or are living with AIDS to provide short-term rent, mortgage and utility payments to prevent the homelessness of the tenant or owner of a dwelling, to provide continued rental assistance for low-income households, and to provide supportive services including health, mental health assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutrition services, intensive care when required, and assistance in gaining access to local, state and federal government benefits and services; health services may only be provided to individuals with AIDS or related diseases and not to their family members.

A percentage of the HOPWA grant will be divided between MFA and sub grantees for program administration. The specific allocation is determined annually but will not exceed any statutory limit.

The HMA agencies and HOPWA providers provide a high level of coordinated services. However, they face the obstacle of providing these services across a broad, rural area, where transportation and accessibility of other care is limited.

HOPWA funding is allocated to sub-grantees based upon a competitive RFP including a renewal option. Funding for HIV/AIDS service provision and delivery is currently allocated to three regional Health Management Alliances (HMAs) and one non-profit agency.

H. NEIGHBORHOOD STABILIZATION PROGRAM

In 2009 the U.S. Department of Housing and Urban Development (HUD) awarded the state of New Mexico \$19.6 million for the Neighborhood Stabilization Program (NSP1) provided through HUD's Community Development Block Grant (CDBG) Program as authorized by the U.S. Housing and Economic Recovery Act of 2008 (HERA). HUD established NSP1 to provide emergency assistance to state and local governments to assist in the redevelopment of foreclosed and abandoned properties that might otherwise become sources of abandonment and blight within their communities and to respond to declining home values. The state of New Mexico awarded NSP1 funds to the following: City of Albuquerque \$7,000,000; City of Santa Fe \$2,000,000, City of Las Cruces \$1,500,000, Mortgage Finance Authority \$8,708,000 and the state kept \$392,000 for administrative funds to implement the program. The NSP1 program is reaching its conclusion.

The NSP-3 program is funded by a HUD grant awarded to DFA. The Kaspia Group, Inc. administers the NSP-3 federal grant, which funds the purchase and rehabilitation of foreclosed, single-family properties. After rehabilitation, the homes are sold to families whose incomes are below 120 percent of Area Median Income ("AMI"). NSP-3 also funds certain financing assistance to eligible homebuyers.

Terms of NSP-3 Financing Assistance

Each homebuyer must obtain a mortgage loan from a private mortgage lender. To further increase the affordability of an NSP-3 home purchase, NSP-3 makes available to eligible homebuyers financing assistance in the form of a soft second mortgage loan, down payment assistance, and/or closing costs assistance. The total amount of NSP-3 assistance provided to a homebuyer will be secured by a promissory note ("NSP-3 Note") and mortgage with restrictive covenants ("NSP-3 Mortgage"), and is provided as a zero percent (0%) loan, forgivable after the homebuyer has fulfilled the applicable affordability period.

Affordability Period

The NSP-3-funded financing will be forgivable at the end of the term of 5, 10, or 15 years, based on the amount of the NSP-3 assistance provided to the homebuyer. If the homebuyer receives assistance in an amount exceeding \$40,000, such amount is forgiven at a rate of 6.67% per year (on the anniversary date of the NSP-3 Note) for 15 years. If the homebuyer receives assistance in an amount equal to or exceeding \$15,000 but less than or equal to \$40,000, such amount is forgiven at the rate of 10% of the principal balance per year (on the anniversary date of the NSP-3 Note) for 10 years. If the homebuyer receives assistance in an amount less than \$15,000, such amount is forgiven at the rate of 20% of the principal balance per year (on the anniversary date of the NSP-3 Note) for 5 years.

Grant Amount Per Home	Minimum Period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

Resale during Affordability Period: if a homebuyer sells, refinances, or otherwise arranges for an ineligible transfer of the property, prior to the end of the affordability period, NSP-3 funds will be **recaptured** by the DFA out of the net proceeds of the sale in accordance with HUD regulations and the NSP-3 Note and NSP-3 Mortgage. The NSP-3 Note does not have a prepayment penalty.

Other NSP3 Requirements

- Homebuyers must occupy the home as their primary residence.
- A homebuyer's private mortgage loan (i.e.—"first mortgage") debt to income ratio must be in line with FHA standard guidelines.
- Homebuyers must obtain a mortgage loan with a 15 or 30-year fixed rate, fully amortizing term.
- Homebuyers must complete eight (8) hours of homebuyer counseling from a HUD-approved certified counseling agency.

I. DFA ADMINISTERED CDBG PROGRAM

The CDC is responsible for allocating grants under the CDBG program to assist local communities with basic infrastructure and community development needs.

The CDBG Rules and Regulations govern the CDBG appropriation from the HUD. As part of their administrative responsibility, the CDC and DFA continue to provide technical assistance to prospective

applicants and grantees. The nature of these programs requires a thorough outreach effort to ensure that units of local government are aware of program requirements. The CDC and LGD assure local entities and citizens of the state of New Mexico that public comment will be solicited should the council choose to make any substantial changes to these application regulations. These hearings are held annually.

In 2012, allocation of the largest HUD block grants was severely curtailed. CDBG saw a massive decrease of approximately 35%. DFA anticipates the same funding for the next few years.

Administration

DFA staff provides Technical Assistance to grantees in order to increase capacity of grantees carrying out eligible CDBG and NSP activities. Technical assistance visits to CDBG and NSP grantees help avoid problems and improve performance. Technical assistance ranged from project file set up and pre-construction conference attendance as well as one on one CDBG implementation training and preparation for the CDBG applications. DFA staff also provides in-house TA.

DFA provides the following training to CDBG grantees in addition to Technical Assistance:

- Conduct two large Workshops every year – CDBG Application Workshop and CDBG Implementation. The Application workshop includes but is not limited to the following items; national objectives, survey methodology, asset management, environmental, citizen participation, and ethics in the workplace. The Implementation Workshop includes but is not limited to the following items: Program Administration, Property Acquisition, Anti-Displacement and Relocation, Financial Administration, Citizen Participation, Fair Housing, Environmental Review, Public Works Projects, Basic CDBG, Monitoring and Closeout, Labor Standards, Section 3, Engineering Agreements, Architect Agreements, Public Improvements and Bid Documents.
- Provide support and presentations at the State's Annual Infrastructure Financing Conference.

Additional administrative duties for the CDBG program are as follows:

- DFA staff rate and rank all CDBG applications every December-February
- DFA staff prepare award letters and grant agreements
- DFA staff review all federal regulations including citizen participation, anti-displacement-relocation, fair housing, Section 3, and equal employment opportunities requirements. All contracts are reviewed including engineering, architectural, planner and contractor plans and specification for every CDBG project.
- DFA staff review on a quarterly basis reporting requirements for all grantees.
- Review, approve and complete budget, change of scope of work, and time extension requests for CDBG projects
- Complete Audit Reviews and Archiving Procedures
- Work with Counties, Municipalities, Mayors, County Commissioners, Grants Administrators, Non-profits, Legislators, and other state Agencies on a daily basis.
- DFA staff evaluates and prepares the CDBG Implementation Manual for Grantees.
- DFA staff evaluates and prepares the CDBG Application for Grantees.

I. SECTION 108 LOAN GUARANTEE PROGRAM

According to state and federal law, the maximum amount of loan guarantee commitment that any eligible local government may receive may be limited to \$7,000,000 pursuant to 24 CFR 570.705, and the maximum amount of loan guarantee commitments statewide may not exceed an amount equal to five times the amount of the most recent grant received by the State of New Mexico CDBG Program (approximately \$42,200,000.00 in loan guarantees at the current allocation level). This level of funding allows the local government to participate in larger projects, avoid referendums for infrastructure financing, compete with larger local governments for business relocations, and provide smaller businesses the ability to access funds at approximately corporate AAA bond rates.

HUD requires that underwriting analysis be conducted in accordance with 24 C.F.R. 570.482(e) (2) and Appendix A of 24 C.F.R. Part 570. DFA, as necessary could require additional underwriting standards, criteria or review.

K. MONITORING AND AUDIT REQUIREMENTS

MFA PROCEDURES

MFA mandates annual monitoring for all programs, whether federal or state funded. MFA's Community Development monitoring staff is highly skilled in monitoring all program requirements, including beneficiary income qualification, habitability standards, financial capability, adherence to program regulations and environmental clearance procedures. In addition to MFA's Community Development department staff, the Asset Management department also assists in conducting unit inspections for HOME, ESG and HOPWA. The staff continues to hone its skills by participating in program specific training provided by HUD. This includes passing scores in the Certified HOME Specialist – Regulations and Certified HOME Specialist - Administration course offered by CPD. MFA has ensured that monitoring requirements are carried out in accordance with the HUD rules for HOME, ESG and HOPWA, by using a database specifically designed for tracking monitoring visits. Annual risk assessments are conducted for all programs. MFA's Community Development staff conducts contract based program compliance monitoring for HOME, ESG, HOPWA, NSP, HPRP and Weatherization programs. Risk assessments are conducted annually by the Program Managers, with monitoring schedules planned from the results of the assessments.

MFA's Asset Management staff conducts long-term compliance monitoring for HOME-funded single-family and multi-family rentals in accordance with the guidelines set out in 24 CFR Part 92, including income eligibility, certification and recertification, and habitability. The database assists in tracking the timeliness of those monitoring visits so that all monitoring frequency requirements are met.

The goal of the formal annual compliance review is to ensure compliance with and provide technical assistance relating to federal regulations, state policies and program procedures. During the compliance review, the following information is documented:

- Administrative Policies and Procedures
- Financial Records/Program Income
- Beneficiary Selection Policy
- Marketing Plan, Procedures
- Lead Based Paint Regulations/Health Department Quarterly Reports
- Beneficiary File Reviews

If required, HQS Inspections

MFA provides written compliance reports to each subgrantee following compliance reviews. Reports indicate compliance issues and remedial actions required of the subgrantee. Remedial actions must be documented and reported by the subgrantee in writing to MFA within 30 days of the date of the letter. Subgrantee performance issues and remedial actions are also indicated. Remedies for the subgrantees nonperformance and noncompliance status include corrective and probationary action, suspension, and termination. MFA limits funding to entities that indicate successful capacity through adherence to federal regulations and MFA policies and procedures.

DFA PROCEDURES

All CDBG grantees are required to be monitored once a year for the life of the project, each CDBG project has two years to be completed (18 months for planning). NSP grantees are monitored more frequently than once a year. Therefore CDBG and NSP staff conduct both interim monitoring and close out monitoring to ensure that all federal and state requirements are being followed.

DFA staff monitors grantees for compliance with the CDBG and NSP program requirements. DFA staff conduct both desk reviews and on site monitoring reviews. Desk reviews involve examining information and materials provided by Grantees to track performance and identify any potential problem areas. Staff performing desk reviews examine: environmental documentation, construction documents, professional services contracts, request for proposals, progress reports, financial information and any other documents in regards to performance. On site reviews involves a comprehensive monitoring of overall program administration as well as individual beneficiary information, project files and verification of the project site.

DFA staff provides five basic elements to conducting monitoring visits. Below is a summary of the steps that are taken to conduct on site monitoring visits:

1. Grantees are notified in writing the purpose of the visit, when the planned visit will happen, what time the visit will happen and what areas will be covered during the visit.
2. An entrance Conference is usually scheduled with the chief elected official (of the Grantee) and DFA to provide a clear understanding of the purpose of the monitoring.
3. All necessary documentation is reviewed using a CDBG monitoring checklist (provided to grantees at implementation) in order to gather information to be included in the monitoring letter.
4. An exit conference is held at the end of the monitoring visits to discuss the results of the monitoring. Grantees are given 10 days to provide DFA with documentation that may not have been provided during the monitoring visit.
5. Within 45 days, DFA provides grantees with a monitoring letter of what was found during the review. Occasionally, monitoring will result in determining that certain activities or absence of certain activities will raise an issue of concern or violate program or statutory requirements for which a finding or concern is issued. A concern is defined as a deficiency in program performance not based on statutory, regulatory or other program requirements. A finding is defined as a deficiency in program performance based on statutory, regulatory or program requirements for which corrective actions are required.

Depending on the results of the monitoring, DFA will take appropriate actions when performance problems arise. There are three stages of intervention that DFA conducts depending on the seriousness of the problem.

1. Low-level intervention, DFA may implement all or some of the following items; identify problem areas and required corrective actions, plan a strategy with grantees that include technical assistance or training, or require more frequent monitoring.
2. Moderate-level intervention, DFA may implement all or some of the following items; restrict payment, disallow certain expenses or require repayment of funding, or require probationary status.
3. High-level intervention, DFA may implement all or some of the following items; temporarily suspend the grantee from participating in the CDBG program, terminate grantee for the current program year, or require legal action.

In order to ensure projects are completed according to all CDBG requirements, any findings and concerns identified during monitoring must be cleared by DFA in order for grantee to apply for funds in the future.

DFA requires all CDBG expenditures shall be included in the Grantee's single audit for each fiscal year in which funds are expended. Grantees are required to conduct an audit performed in accordance with OMB Circular A-133 and submit the audit to the DFA within 30 days of the date the audit approved by the New Mexico State Auditor. If the total amount of Federal funds expended exceeds \$500,000, CDBG must be listed as a funding source on the audit. DFA retains the right to recover funds from the Grantee for any disallowed costs based on the results of any interim or the final audit.

To enable the DFA to adequately evaluate the progress of the grantee project, grantees submit progress reports to the DFA on a quarterly basis. The progress reports contain a description of the work accomplished to date, the methods and procedures used, a detailed budget breakdown of expenditures to date, a statement of the impact of the project, and other information as DFA may require.

All information received through the progress report is entered into the Integrated Disbursement and Information System, which is used to generate reports that detail the performance of the grantee in meeting its goals and objectives. For example, a report can be generated giving a percentage of the funds expended. If no funds have been expended, a review of the project will be conducted to determine what measures need to be implemented to move the project forward. The program specialist plays a vital role in knowing the status of the project and identifying potential issues. Once these issues have been identified, the grantee is notified to resolve the issue and move the project forward.

Pay requests are a priority for DFA staff. Pay Requests can be submitted to DFA staff under two allowable methods, first is Requests for Paid Expenditures, this means that the Grantee can request reimbursement of expenditures it has already paid and the second method is Requests for Unpaid Expenditures this method allows reimbursement of expenditures that the grantee has incurred but not yet paid. If the grantee is requesting fund for unpaid expenditures the Grantee must disburse funds within three (3) business days of receipt from DFA. There are steps in place to ensure that the pay request is processed for payment in a timely manner. If the pay request is rejected for any reason, the grantee is immediately notified so that they can provide the proper documentation. In addition, if there are any issues that come up relating to the project, the program manager is responsible for identifying

them and resolving them in a timely manner. These steps will help to insure compliance with program requirements.

L. NEEDS OF PUBLIC HOUSING

There are a total of 40 PHAs in New Mexico, 32 of which are located outside of metropolitan areas and within the jurisdiction of the State Consolidated Plan. Neither the State or MFA operate public housing, therefore neither agency directly plans resident initiatives. Efforts to collaborate more extensively with PHAs are underway through the Regional Housing Authority initiative where MFA is charged by the legislature to oversee the Regional Housing Authorities for greater financial and operational efficiency. MFA plans to continue its successful partnerships with Public Housing Authorities (PHAs) on the Section 8 Homeownership initiative. MFA will provide Payment\$aver funds for down payment and closing cost assistance, called "Smart Choice," to complement Section 8 funds used by former public housing residents to purchase their homes under this innovative program. To the extent possible, MFA will make HOME funding available to PHAs pursuing the redevelopment of foreclosed and older USDA Rural Development properties.

M. MINORITY OUTREACH PROGRAM

MFA maintains a Minority Business Directory on its website to allow subrecipients and other service providers to conduct outreach to such firms during procurement. The directory can be obtained by accessing the website at <http://www.housingnm.org/relevant-federal-regulations>.

MFA will ensure contract provisions included in contracts with subrecipients and other service contracts will include the following recommendations.

Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

1. The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.
2. Affirmative steps include:
 - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
 - v. Using the services and assistance of the Small Business Administration, and the Minority

Business Development Agency of the Department of Commerce; and

- vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

MFA certifies that HOME program funds will be awarded in accordance with the non-discrimination and equal opportunity requirements set forth in the program regulations. MFA will provide the recipients with all applicable non-discrimination laws. Recipients will be provided with procedures outlining corrective action for non-compliance.

APPENDIX A: NEW MEXICO CITIZEN PARTICIPATION PLAN

NEW MEXICO CITIZEN PARTICIPATION PLAN

Consolidated Plan for Housing and Community Development

Introduction

In 1994, the U.S. Department of Housing and Urban Development issued new rules consolidating the planning, application, reporting, and citizen participation processes of four formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process was intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities.

Provision of decent housing may involve assisting homeless persons in obtaining appropriate housing, retaining the affordable housing stock, increasing the availability of permanent affordable housing for low-income households without discrimination or increasing supportive housing to assist persons with special needs. Providing a suitable living environment might entail improving the safety and livability of neighborhoods, including the provision of adequate public facilities; deconcentration of housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources. Expanding economic opportunities can involve creation of accessible jobs, providing access resources for community development, and assisting low-income persons to achieve self-sufficiency.

The Consolidated Plan is actually a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby New Mexico can identify its housing, homeless, community, and economic development needs, identify resources that will be tapped and actions to be taken that will address the needs, as well as look back and evaluate the state's progress toward achieving its strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of New Mexico, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. In doing so, the CPP sets forth general policies and procedures for implementing and carrying out the Consolidated Planning Process, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed, and methods for citizens to offer the state assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in the U.S. Department of Housing and Urban Development's rules for the Consolidated Plan, the HOME Investment Partnerships (HOME) Program, the Community Development Block Grant (CDBG) Program, the Emergency Solutions Grants (ESG) Program and the Housing Opportunities for Persons with Aids (HOPWA) Program. In New Mexico, the New Mexico Mortgage Finance Authority administers the HOME, ESG and HOPWA funds and the Local

Government Division, Community Development Bureau within the Department of Finance and Administration administers the CDBG resources. The MFA is the lead agency for developing the Consolidated Plan.

In order to ensure maximum participation in the Consolidated Plan process among all populations and needs groups, and in order to ensure that their issues and concerns are adequately addressed, the MFA and DFA will follow the standards set forth in its adopted Citizen Participation Plan during development of its Consolidated Plan, Action Plan and Annual Performance Report.

The term “entitlement area” refers to cities and counties that, because of their size, are able to receive federal funding directly. These areas must complete a Consolidated Plan separately from the state’s to receive funding. For purposes of this report, “non-entitlement” refers to cities and towns that do not file Consolidated Plans individually and are not able to receive funding from the HUD programs directly. Entitlements not covered by the New Mexico Consolidated Plan are City of Albuquerque, City of Las Cruces, City of Santa Fe, City of Farmington, and the City of Rio Rancho. Individuals wishing to contribute to the Consolidated Planning process in these areas should contact housing and community development specialists in these cities/counties.

Encouraging Citizen Participation

The Consolidated Plan is designed to enumerate New Mexico's overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low- and moderate-income persons.

Interested groups and individuals are encouraged to provide input into all aspects of New Mexico's Consolidated Planning activities, from assessing needs to setting priorities through performance evaluation. By following the CPP, numerous opportunities for citizens to contribute information, ideas and opinions about ways to improve our neighborhoods, promote housing affordability and enhance the delivery of public services to local residents will occur.

It is the policy of this agency to provide language access services to populations of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be directly affected by our programs. Such services will be focused on providing meaningful access to our programs, services and/or benefits. MFA, at no cost to the LEP individuals or families, provides interpreter services to all LEP individuals or families applying for, participating in programs or receiving services/benefits through MFA. The interpreter services are provided in an efficient and timely manner so as not to delay a determination of eligibility for an individual or family, receipt of eligible services/benefits or participation in a MFA run program beyond that of an English speaking individual or family. English and Spanish applications and outreach material are available. Additionally, English and Spanish brochures describing services are available at the agency and at various community events, fairs and speaking engagements.

The state of New Mexico is committed to keeping all interested groups and individuals informed of each phase of the Consolidated Planning process and of activities being proposed or undertaken under HUD formula grant programs. Opportunities to comment on or participate in planning community development and affordable housing activities and projects will be publicized and disseminated throughout the state.

Public Hearings and Meetings

DFA and MFA will conduct at least two public hearings to obtain citizens' views and to respond to proposals and questions. The hearings will take place at different stages of the Consolidated Planning process. At least one will occur prior to development of the Draft Plan and will be intended to solicit public input regarding distinct issues, thereby aiding policy formation. At least one more will occur after the Draft Plan has been released for public review, allowing interested parties an opportunity to review the strategies and how they were developed, designed and presented.

Information about the time, location and subject of each hearing will be provided to citizens at least 14 calendar days in advance through adopted public notice and outreach procedures. This notification will be disseminated to local governments and other interested parties. Public notification of the hearings will be published in statewide newspapers of general circulation in hearing location cities or towns and on the MFA and DFA websites. MFA and DFA staff may also attend other meetings and conventions in New Mexico throughout the year, thereby providing an opportunity for additional public information on the Consolidated Plan.

Every effort will be made to ensure that public hearings are inclusive. Hearings will be held at convenient times and locations and in places where people most affected by proposed activities can attend. The MFA and DFA will utilize hearing facilities that are accessible to persons with mobility impairments. If written notice is given at least seven days before a hearing date, the MFA will provide appropriate materials, equipment and interpreting services to facilitate the participation of non-English speaking persons and persons with visual and/or hearing impairments. Interpreters will be provided at public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. All public hearings and public meetings associated with the Consolidated Planning process will conform to applicable New Mexico open meetings laws.

However, the MFA may, at its discretion, actively solicit input on housing and community development issues during the course of the year with regional forums, town hall meetings and other venues, as they may present themselves.

Applicants must provide opportunities for public participation in the development of community development goals, objectives and applications for funding assistance by undertaking the following activities:

- A. Provide for and encourage citizen participation within their areas of jurisdiction with particular emphasis on participation by persons of low and moderate income
- B. Provide citizens with reasonable and timely access to local meetings, information, and records relating to proposed and actual use of funds
- C. Provide for technical assistance to groups and representatives of low and moderate income persons that request assistance in developing proposals. The level and type of assistance is to be determined by the applicant
- D. Provide for public hearings to obtain citizen participation and respond to proposals and questions at all stages

Prior to selecting a project and submitting an application for CDBG funding assistance, eligible applicants must conduct at least one public hearing for the following purposes:

- A. To advise citizens of the amount of CDBG funds expected to be made available for the current fiscal year
- B. To advise citizens of the range of activities that may be undertaken with CDBG funds
- C. To advise citizens of the estimated amount of CDBG funds proposed to be used for activities that will meet the national objective to benefit low and moderate income persons
- D. To advise citizens of the proposed CDBG activities likely to result in displacement and the unit of general local government's anti-displacement and relocations plans
- E. To obtain recommendations from citizens regarding the community development and housing needs of the community
 1. After considering all recommendations and input provided at the public hearing(s), the county commission or city/town/village council must select one project for which to submit an application for funding assistance at an official public meeting
 2. The applicant must conduct a second public hearing to review program performance, past use of funds and make available to the public its community development and housing needs including the needs of low and moderate income families and the activities to be undertaken to meet such needs
 3. Public hearing notices must be published in the non-legal section of newspapers or posted in a minimum of three prominent places within the project area with reasonable time and public access
 4. Evidence of compliance with these regulations must be provided with each application, i.e. hearing notice, minutes of these meetings, list of needs, and activities to be undertaken
 5. Amendments to goals, objectives, and applications are also subject to public participation
- F. Provide for timely written answers to written complaint and grievances within 15 working days where practicable
- G. Identify how needs of non-English speaking residents will be met in the case of public hearings where a significant number of residents can be reasonably expected to participate

Publication of Consolidated Plan Documents

The MFA will publish the draft Consolidated Plan for public review in a manner that affords citizens, public agencies and other interested parties a reasonable opportunity to examine its contents and submit comments. The Draft Plan will be a complete document and shall include:

- The amount of assistance the state agencies expect to receive and,
- The range of activities that may be undertaken, including the estimated amount that will benefit persons of low and moderate income.

A Notice for the release of the Draft Plan will be published in several newspapers of general circulation at the beginning of the public comment period. The release will include a list of the locations where copies of the entire proposed Consolidated Plan may be obtained or examined. The following are among the locations where copies of the public comment draft will be made available for inspection:

- MFA and DFA offices,
- MFA website www.housingnm.org

- DFA website local.nmdfa.state.nm.us

Citizens and groups may obtain a reasonable number of free copies of the proposed Consolidated Plan by contacting the MFA at 505-843-6880, or 1-800-444-6880 statewide toll free, or the document may be downloaded from the MFA website, located at <http://www.housingnm.org/publications>.

Public Comments on the Draft Consolidated Plan and Annual Action Plans

The MFA, as lead agency, will receive comments from citizens on its draft plan for a period not less than 30 days prior to submission of the Consolidated Plan or Annual Action Plans to HUD. The drafts will be scheduled for release in early fall of each year.

All comments or views of citizens received in writing during the 30-day comment period will be considered in preparing the final Consolidated Plan. A summary of these comments or views and a summary of any comments or views not accepted and the reasons therefore shall be attached to the final Consolidated Plan.

Public Notice and Outreach

An informed citizenry is critical to effective and responsive housing and community development programs. Efforts to educate residents and empower their participation are an ongoing element of the Consolidated Planning process.

As the fundamental means of notifying interested citizens about the Consolidated Plan and related activities, such as the Annual Action Plan or the Consolidated Annual Performance and Evaluation Report, the MFA will publish public notices in newspapers of general circulation and on both MFA and DFA web pages. Such notices will be published at least 14 calendar days prior to public hearings. All notices will be written in plain, simple language and direct efforts will be undertaken to publish and/or post information at locations that will elicit maximum low- and moderate-income and minority participation.

Public education and outreach will be facilitated through the use of Public Advertisements that describe the Consolidated Planning process, opportunities for citizen participation and available funding through the CDBG, ESG, HOME and HOPWA programs. The Consolidated Plan mailing list will likely include social service organizations, local jurisdictions, low-income housing consumers, neighborhood groups, previous participants and commentators, and others expected to desire input on the Plan. This list is updated periodically and is available for inspection at the MFA.

Technical Assistance

Groups or individuals interested in obtaining technical assistance to develop project proposals or applying for funding assistance through HUD formula grant programs covered by the Consolidated Plan may contact the staff of the MFA or, in the case of CDBG funding, the Community Development Bureau within the Department of Finance and Administration. Such assistance may be of particular use to community development organizations, nonprofit service providers, and for-profit and nonprofit housing development groups that serve or represent persons of low and moderate income. Pre-application workshops offer basic program information and materials to potential project sponsors, and

staff from MFA provides in-depth guidance and assistance to applicants and program participants on an on-going basis. Emphasis is placed on capacity development of community-based organizations.

Amendments to the Consolidated Plan

An amendment to the Consolidated Plan is required whenever the jurisdiction determines to:

- Substantially change the allocation priorities or its method of distributing HUD formula grant funds;
- Utilize formula grant funds (including program income) to carry out an activity not previously described in the action plan; or
- Change the purpose, scope, location or beneficiaries of an activity.

Such changes, prior to their implementation, are reviewed under various federal or local requirements, particularly rules on procurement and/or policies on the allocation of public resources. Substantial amendments to the Consolidated Plan are, in addition, subject to a formal citizen participation process. Notice and the opportunity to comment will be given to citizens through public notices in local newspapers and other appropriate means, such as direct mail or public meetings. A public comment period of not less than 30 days will be provided prior to implementing any substantial amendment to the Consolidated Plan. MFA staff will prepare a summary of all comments received in writing and, in cases where any citizens' views are not accepted, provide reasons for the decision. This documentation will be attached to the substantial amendment, which will be available to the public and submitted to HUD.

Substantial Amendments

Occasionally, public comments warrant an amendment to the Consolidated Plan. The criteria for whether to amend are referred to by HUD as Substantial Amendment Criteria. The following conditions are considered to be "Substantial Amendment Criteria:"

- A. Any change in the described method of distributing funds to local governments or nonprofit organizations to carry out activities. Elements of a "method of distribution" are:
 1. Application process;
 2. Allocation among funding activities in excess of 35% of the total current entitlement allocation;
 3. Grant size limits; and
 4. Criteria selection.
- B. An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of:
 1. Federal government recession of appropriated funds, or appropriations are so much less than anticipated that the state makes an administrative decision not to fund one or more activities; or
 2. The governor declares a state of emergency and reallocates federal funds to address the emergency; or
 3. A unique economic development opportunity arises where the state administration asks that federal grants be used to take advantage of the opportunity.

Citizen Participation in the Event of a Substantial Amendment

In the event of a substantial amendment to the Consolidated Plan, the MFA or DFA or both, depending on the nature of the amendment, will conduct at least one additional public hearing. This hearing will follow a comment period of no less than 30 days, where the proposed substantially amended Consolidated Plan will be made available to interested parties. Citizens will be informed of the public hearing through newspaper notification and the MFA and DFA websites prior to the hearing and the notice will appear in at least one newspaper which is circulated statewide.

Citizens will be notified of the substantially amended Consolidated Plan's availability through newspaper notification prior to the 30-day substantially amended Consolidated Plan comment period. The notification will appear in at least one newspaper that is circulated throughout the state. The substantially amended sections of the Consolidated Plan will be available on the MFA website, www.housingnm.org, for the full public comment period.

Consideration of Public Comments on the Substantially Amended Plan

In the event of substantial amendments to the Consolidated Plan, the State will openly consider any comments on the substantially amended Consolidated Plan from individuals or groups. Comments must be received in writing or at public hearings. A summary of the written and public hearing comments on the substantial amendments will be included in the final Consolidated Plan. Also included in the final Consolidated Plan will be a summary of all comments not accepted and their reasons for dismissal.

Changes in Federal Funding Level

Any changes in federal funding level after the Consolidated Plan's draft comment period has expired and the resulting effect on the distribution of funds will not be considered an amendment or a substantial amendment.

Standard Amendments

"Standard amendments" are those that are not considered substantial in nature and pertain chiefly to minor administrative modifications of the programs. Thus they do not require in-depth citizen participation.

Annual Performance Reports

Performance reports on HOME, ESG and HOPWA programs covered by the Consolidated Plan are to be prepared by the MFA for annual submission to HUD within 90 days of the January 1 start of each program year. Performance reports for CDBG are to be prepared by DFA for annual submission to HUD within 90 days of the January 1 start of each program year. Draft performance reports will be made available upon written request. The draft performance report will be available for comment for no less than fifteen (15) days, and any public comments received in writing will be reported in an addendum to the final performance report.

Access to Records

To the extent allowed by law, interested citizens and organizations shall be afforded reasonable and timely access to records covering the preparation of the Consolidated Plan, project evaluation and selection, HUD's comments on the Plan and annual performance reports. In addition, materials on formula grant programs covered by the Consolidated Plan, including activities undertaken in the previous five years, will be made available to any member of the public who requests information from the MFA. A complete file of citizen comments will also be available for review by interested parties. After receiving notice of HUD's approval of its Consolidated Plan, the MFA will inform those on its mailing list of the availability of the final Plan document and of any HUD comments on the Plan.

Complaints and Grievances

Citizens, administering agencies and other interested parties may submit complaints and grievances regarding the programs MFA and DFA administer. Complaints should be in writing, specific in their subject matter, and include facts to support allegations. The following are considered to constitute complaints to which a response is due:

- The administering agency has purportedly violated a provision of this Citizen Participation Plan;
- The administering agency has purportedly violated a provision of federal CDBG, ESG or HOME, or HOPWA program regulations;
- The administering agency, or any of its contractors, has purportedly engaged in questionable practices resulting in waste, fraud or mismanagement of any program funds.

Residents may also present complaints and grievances orally or in writing at the community meetings and/or public hearing. All public comments, including complaints and grievances, made either orally or in writing within the 30-day public comment period, will be included in the final Consolidated Plan. Such complaints or grievances for HOME, HOPWA, or ESG shall be directed to the Consolidated Plan representative at the MFA.

Such complaints or grievances regarding CDBG shall be directed to the Bureau Chief by contacting DFA at 505-827-4972.

Timely Response to Complaints or Grievances

Upon receipt of a written complaint, the designated representative at MFA or DFA shall respond to the complainant within 15 calendar days and maintain a copy of all related correspondence, which will be subject to MFA and DFA review.

Within 15 calendar days of receiving the complaint, the designated MFA or DFA representative shall discuss the matter with the department manager and respond to the complainant in writing. A copy of the MFA's or DFA's response will be transmitted, concurrently, to the complainant and to the MFA and DFA Directors. If, due to unusual circumstances, the designated representative finds that he/she is unable to meet the prescribed time limit, the limit may be extended by written notice to the complainant. The designated representative's notice must include the reason for the extension and the date on which a response is expected to be generated, which may be based on the nature and complexity of the complaint.

Public review materials and performance reports will include data, as appropriate under confidentiality regulations, on any written complaints received and how each was resolved.

Activities Exempt from Substantial Amendment Citizen Participation Requirements

Urgent Needs

It may be necessary to amend the Consolidated Plan in the event of an emergency such as a natural disaster. These amendments may include funding new activities and/or the reprogramming of funds including canceling activities to meet community development needs that have a particular urgency. Therefore, the state of New Mexico, acting through the New Mexico Mortgage Finance Authority may utilize its HOME funds to meet an urgent need without the normal public comment period, which is otherwise required for substantial amendments. The Division of Finance and Administration (DFA), through its Community Development Bureau, may administer the CDBG funds for urgent needs in a similar fashion.

To comply with the national objective of meeting community development needs having a particular urgency, an activity will alleviate existing conditions that the state of New Mexico certifies:

- Pose a serious and immediate threat to the health and welfare of the community;
- Are of recent origin or recently became urgent;
- The state and the MFA or the DFA are unable to finance the activity on its own; or
- Other resources of funding are not available to carry out the activity.

A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the MFA's or DFA's certification.

Availability of the Citizen Participation Plan

Copies of the CPP may be obtained by contacting the MFA website at www.housingnm.org or at DFA's website at http://nmdfa.state.nm.us/2011_New_Mexico_Action_Plan_1.aspx. Upon request, the MFA or DFA will make the Plan available in an alternative format accessible to persons with disabilities.

APPENDIX B: 2013 Areas of Statistically Demonstrated Need**2013 Areas of Statistically Demonstrated Need
Targeting Factors**

Areas of Statistically Demonstrated Need
Tier 1
1) County or MSA with a population greater than 10,000 2) Growth rate greater than State average for last three years 3) Vacancy rate below 5%
Tier 1 Counties: *Chaves, Curry, Dona Ana, Lea, McKinley, Otero, and Roosevelt
Tier 2
1) County or MSA with a population greater than 10,000 and 2) a. Growth rate greater than State average for last three years or 2) b. Vacancy rate below 5%
Tier 2 Counties: Bernalillo, Colfax, Curry, Eddy, Grant, Luna, Sandoval, San Juan, San Miguel, and Taos

Area identified as an area of need will remain an area of need for a minimum of two years. Counties marked with * are areas that remain as areas of need for a second year even though they do not meet criteria in current year.

2013 Demonstrated Rental Need

County	2011 Census Population (a)	2008 County Population (a)	Population Growth	Population Growth > 3.56% average	Part of MSA or Community > 10 K	2012 % Rental Vacancy (b)	Rental Vacancy rate below 5%	2011 Determined Need (H = High, M = Medium)	2012 Determined Need	Determined Need (H = High, M = Medium)
Bernalillo	670,968	646,879	3.72%	Y	Y	5.79%	N	M	H	M
Catron	3,733	3,631	2.81%	N	N	N/A	N/A			
Chaves	65,890	64,378	2.35%	N	Y	4.20%	Y		H	M
Cibola	27,658	27,259	1.46%	N	Y	6.30%	N	H	H*	
Colfax	13,640	13,764	-0.90%	N	Y	4.80%	Y			M
Curry	49,649	45,512	9.09%	Y	Y	2.20%	Y		H	H
De Baca	1,945	2,000	-2.75%	N	N	N/A	N/A			
Dona Ana	213,598	200,855	6.34%	Y	Y	4.90%	Y	H	H	H
Eddy	54,152	52,566	3.02%	N	Y	2.50%	Y	H	H	M
Grant	29,380	29,921	-1.81%	N	Y	1.00%	Y	M	*M	M
Guadalupe	4,619	4,701	-1.74%	N	N	5.90%	N			
Harding	704	690	2.03%	N	N	N/A	N/A			
Hidalgo	4,861	5,022	-3.21%	N	N	4.70%	Y			
Lea	65,423	62,737	4.28%	Y	Y	3.10%	Y	M	H	H
Lincoln	20,454	20,458	-0.02%	N	Y	9.40%	N	H*		
Los Alamos	18,222	17,924	1.66%	N	Y	8.90%	N			
Luna	25,281	25,375	-0.37%	N	Y	4.70%	Y	H*		M
McKinley	73,664	70,449	4.56%	Y	Y	3.00%	Y			H
Mora	4,773	4,909	-2.77%	N	N	4.80%	Y			
Otero	65,703	62,498	5.13%	Y	Y	3.90%	Y			H
Quay	9,026	8,978	0.53%	N	N	5.90%	N			
Rio Arriba	40,446	40,008	1.09%	N	Y	4.60%	Y			M
Roosevelt	20,446	19,074	7.19%	Y	Y	4.40%	Y		H	H
Sandoval	134,259	125,368	7.09%	Y	Y	5.80%**	N	M*	H	M
San Juan	128,200	126,905	1.02%	N	Y	4.70%	Y	H	H	M
San Miguel	29,301	29,234	0.23%	N	Y	4.80%	Y	M		M
Santa Fe	145,648	141,704	2.78%	N	Y	5.43%	N	M		
Sierra	11,943	11,914	0.24%	N	Y	7.10%	N			
Socorro	17,873	17,966	-0.52%	N	Y	8.50%	N			
Taos	32,917	32,467	1.39%	N	Y	3.00%	Y	H	H	M
Torrance	16,345	16,257	0.54%	N	Y	N/A	N/A	M		
Union	4,433	4,380	1.21%	N	N	4.80%	Y			
Valencia	77,070	74,879	2.93%	N	Y	5.60%	N	M	H	

*Remains on list for second year

**Vacancy rate for Sandoval County is an average of Rio Rancho (7%) and Sandoval (4.6%) data

N/A - Data not reported

Sources:

(a) U.S. Census Bureau, 2012 Annual Estimates for the Resident Population for Counties of New Mexico: April 1, 2010 to July 1, 2011 (CO-EST2011-01-35)

(b) Vacancy Surveys: (1) Performed by BBER May and June, 2012, (2) Apartment Market Survey Summary, May 2012, CB Richard Ellis Multi-Housing Group

Appendix C: Publication Certifications

Las Cruces Sun News

Roswell Daily Record

Santa Fe New Mexican

San Juan Daily Times

Clovis News Journal

Albuquerque Journal

LAS CRUCES SUN-NEWS

PROOF OF PUBLICATION

I, being duly sworn, Frank Leto deposes and says that he is the Publisher of the Las Cruces Sun -News, a newspaper published daily in the county of Dona Ana, State of New Mexico; that the notice 51028 is an exact duplicate of the notice that was published once a week/day in regular and entire issue of said newspaper and not in any supplement thereof for 1 consecutive week(s)/day(s), the first publication was in the issue dated August 22, 2012 and the last publication was August 22, 2012

Despondent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.

Signed

Frank Leto
 Publisher
 Official Position

STATE OF NEW MEXICO

ss.

County of Dona Ana

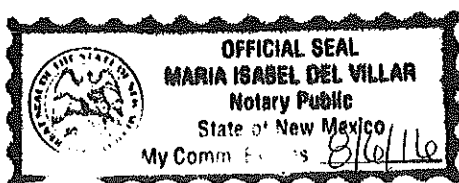
Subscribed and sworn before me this

29th day of August

Maria Isabel Del Villar

Notary Public in and for
 Dona Ana County, New Mexico

August 6, 2016
 My Term Expires



New Mexico DRAFT Action Plan for
 Housing and Community Development

The New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the DRAFT State of New Mexico 2013 annual Action Plan for Housing and Community Development.

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Citizens, interested agencies, and for-profit and non-profit organizations may attend either of the two (2) Public Hearings at these locations or via webcast at www.housingnm.org to provide their input in person and provide comments.

September 5, 2015, 9:00 am

September 19, 2012, 9:00 am New

LAS CRUCES SUN-NEWS

Mexico Mortgage Finance Authority
New Mexico Mortgage Finance
Authority Board Room
Board Room 344 4th
Street SW
344 4th Street SW
Albuquerque, NM
Albuquerque, NM

Written comments may be sent to Debbie Davis, Programs & Initiatives Manager, New Mexico Mortgage Finance Authority, 344 4th Street SW, Albuquerque, NM 87102 or ddavis@housingnm.org through the close of business on October 12, 2012. All comments received will be responded to in the final version of the 2013 Action Plan. Copies of the Draft 2013 Action Plan will be available for review on the MFA website at www.housingnm.org/publications, or on the DFA website (http://www.nmdfa.state.nm.us/Local_Government.aspx) beginning September 12, 2012. Printed copies will be made available upon request at:

New Mexico Mortgage Finance Authority
344 4th Street SW
Albuquerque, NM 87102

State of New Mexico Department of Finance
and Administration Local Government
Division Bataan Memorial Building, Suite
202 Santa Fe, NM 87501

MFA and DFA programs are administered in a nondiscriminatory manner, consistent with equal employment opportunities, affirmative action, and fair housing requirements. Questions, concerns, complaints or requests for information in alternative formats must be directed to the ADA (504) Coordinator, Debbie Davis at 800-444-6880. Locations for the public hearings are handicapped accessible.

Publication#51028
Publication 8/22

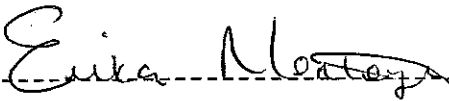
AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Erika Montoya
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:


One time with the issue dated

August 23, 2012


Clerk

Sworn and subscribed to before me

this 23rd day of August, 2012


Notary Public

My Commission expires
June 13, 2014

Publish August 23, 2012

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New Mexico Mortgage Finance Authority
Board Room
344 4th Street SW
Albuquerque, NM

September 19, 2012, 9:00 am
New Mexico Mortgage Finance Authority
Board Room
344 4th Street SW
Albuquerque, NM

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New Mexico Mortgage Finance Authority
344 4th Street SW
Albuquerque, NM 87102

State of New Mexico Department of Finance and Administration
Local Government Division
Bataan Memorial Building, Suite 202
Santa Fe, NM 87501

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THE SANTA FE
NEW MEXICAN
Founded 1849

NM MORTGAGE FINANCE
344 4TH ST SW
Attn: JAN GARCIA
ALBUQUERQUE NM 87103

ALTERNATE ACCOUNT: 56713
AD NUMBER: 00376746 ACCOUNT: 00002222
LEGAL NO: 93656 P.O. #:
164 LINES 1 TIME(S) 170.65
AFFIDAVIT: 0.00
TAX: 13.97
TOTAL: 184.62

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

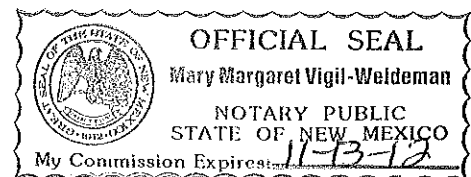
I, V. Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 93656 a copy of which is hereto attached was published in said newspaper 1 day(s) between 08/22/2012 and 08/22/2012 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 22nd day of August, 2012 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ V Wright
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 22nd day of August, 2012

Notary Mary Margaret Vigil-Weideman

Commission Expires: 11-13-2012



SantaFeNewMexican.com

202 East Marcy Street, Santa Fe, NM 87501-2021 • 505-983-3303 • fax: 505-984-1785 • P.O. Box 2048, Santa Fe, NM 87504-2048

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Community
Development**

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Legal # 93656
Pub. Aug. 22, 2012

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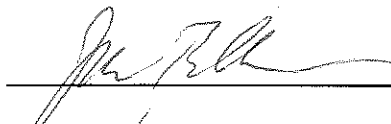
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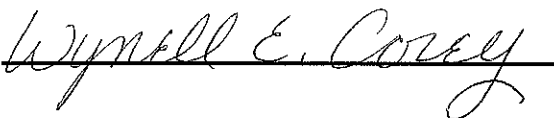
STATE OF NEW MEXICO County of San Juan:

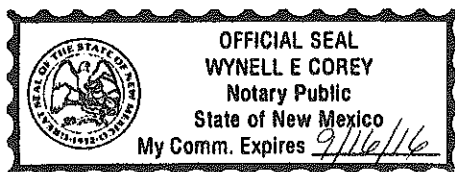
JOHN ELCHERT, being duly sworn says:
That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, August 22, 2012

And the cost of the publication is \$170.86


ON 8/27/12 JOHN ELCHERT
appeared before me, whom I know personally
to be the person who signed the above
document.





COPY OF PUBLICATION

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344 4th Street SW
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State of New Mexico Department of Finance
and Administration
Local Government Division
Bataan Memorial Building, Suite 202
Santa Fe, NM 87501

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Legal No. 68016 published in The Daily Times on August 22, 2012.

AFFIDAVIT OF LEGAL PUBLICATION

LEGAL #

6971

Copy of Publication

STATE OF NEW MEXICO
COUNTY OF CURRY:

The undersigned, being duly sworn, says:
That she is a Legal Clerk of
The Clovis News Journal, a daily
Newspaper of general circulation,
published in English at Clovis,
said county and state, and that the
hereto attached

DRAFT ACTION PLAN

was published in said Clovis News Journal,
a daily newspaper duly
qualified for that purpose within
the meaning of Chapter 167 of the
1937 Session Laws of the State of
New Mexico for 1 consecutive
days/weeks on the same days as follows:

First Publication: August 23, 2012

Second Publication:

Third Publication:

Fourth Publication:

Ammy Garcia
Legal Clerk

Subscribed and sworn to before me
August 23, 2012

Debbie Nagy
Notary Public



My Commission Expires May 24, 2015

Legal 6971
August 23, 2012

**New Mexico DRAFT
Action Plan for
Housing and
Community
Development**

The New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the DRAFT State of New Mexico 2013 annual Action Plan for Housing and Community Development.

A thirty day public-examination and comment period will begin on September 12, 2012 and end on October 12, 2012. The 2013 Action Plan for Housing and Community Development is the third annual implementation plan under the State of New Mexico 2011-2012 Consolidated Plan for Housing and Community Development. The Consolidated Plan is a five-year strategic plan that governs the administration of federal funding appropriated for housing and community development activities that benefit persons of low- and moderate-income. Such federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The 2011-2015 Consolidated Plan represents approximately \$78 million in federal funding, through the four federal programs, over the five-year period. The HOME, ESG and HOPWA programs are administered by the MFA and the CDBG program is administered by DFA.

Citizens, interested agencies, and for-profit and non-profit organizations may attend either of the two (2) Public Hearings at these locations or via webcast at [\[ingnm.org\]\(http://ingnm.org\) to provide their input in person and provide comments.](http://www.hous-</p></div><div data-bbox=)

September 5, 2012, 9:00 am
New Mexico Mortgage Finance Authority Board Room
344 4th Street SW
Albuquerque, NM

September 19, 2012, 9:00 am
New Mexico Mortgage Finance Authority Board Room
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STATE OF NEW MEXICO

County of Bernalillo

SS

Linda MacEachen, being duly sworn, declares and says that she is Classified Advertising Manager of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefor has been made or assessed as court cost; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 23rd day of August, 2012, and the subsequent consecutive publications on _____, 20____.

Linda MacEachen

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 23 day of August of 2012

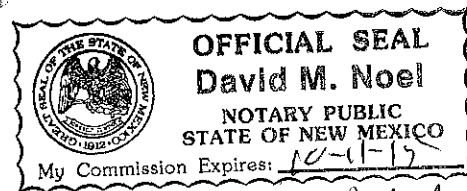
PRICE

\$107.86

Statement to come at end of month.

ACCOUNT NUMBER

C81907



AFFIDAVIT OF PUBLICATION

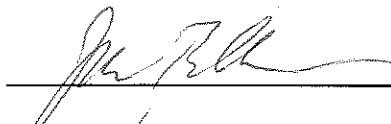
Ad No. 68016

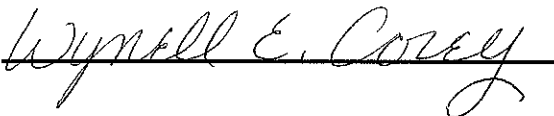
STATE OF NEW MEXICO County of San Juan:

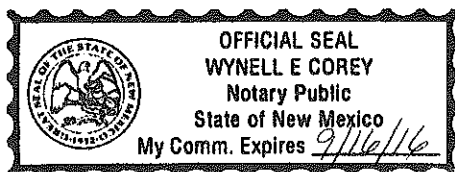
JOHN ELCHERT, being duly sworn says:
That HE is the PUBLISHER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, August 22, 2012

And the cost of the publication is \$170.86


ON 8/27/12 JOHN ELCHERT
appeared before me, whom I know personally
to be the person who signed the above
document.





COPY OF PUBLICATION

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Debbie Nagy
Notary Public



OFFICIAL SEAL
LEGUE NAGY
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires May 24, 2015

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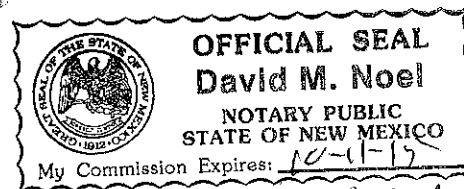
PRICE

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ACCOUNT NUMBER

C81907



Appendix D: State Certifications

CDBG

HOME

ESG

HOPWA

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

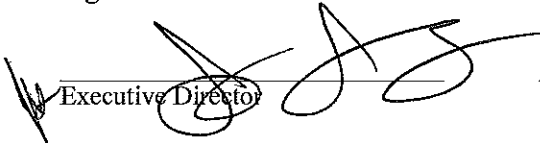
Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official

Date


Executive Director

9/6/12

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2012 and 2013 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

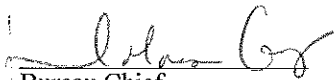
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official

Date


Bureau Chief

9-5-12

Specific HOME Certifications

The State certifies that:

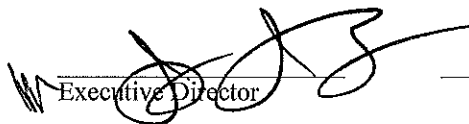
Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

Signature/Authorized Official Date

 9/6/12
Executive Director

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51 and 42 USC 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy -- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

Signature/Authorized Official

Date


Executive Director

9/6/12

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature/Authorized Official

Date


Executive Director

9/6/12

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE

REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

For MFA - 344 4th St. SW, Albuquerque, Bernalillo County

For DFA - 407 Galisteo, Santa Fe, Santa Fe County, New Mexico, 87501

Check _____ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Signature/Authorized Official

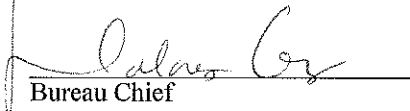
Date


Executive Director

9/6/12

Signature/Authorized Official

Date


Bureau Chief

9-5-12

Appendix E: SF424 Forms

CDBG

HOME

ESG

HOPWA

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED 11/12/2012	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: New Mexico Mortgage Finance Authority		Organizational Unit: Department:	
Organizational DUNS: 08-321-4742		Division:	
Address: Street: 344 4th St.SW		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: First Name: Deborah	
City: Albuquerque		Middle Name	
County: Bernalillo		Last Name Davis	
State: New Mexico	Zip Code 87102	Suffix:	
Country: USA		Email: ddavis@housingnm.org	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 85-0252748		Phone Number (give area code) 505-767-2221	Fax Number (give area code) 505-242-2766
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) A. State Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-239 TITLE (Name of Program): HOME Investment Partnerships Program		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: State of New Mexico 2011 Action Plan - HOME Program	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Balance of State of New Mexico		9. NAME OF FEDERAL AGENCY: US Department of Housing and Urban Development	
13. PROPOSED PROJECT Start Date: 1/1/2013 Ending Date: 12/31/2013		14. CONGRESSIONAL DISTRICTS OF: a. Applicant NM 1 b. Project NM 1, 2, 3	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 3,781,059.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
e. Other	\$ 3,108,904.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$ 1,000,000.00		
g. TOTAL	\$ 7,889,963.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Mr.	First Name Jay	Middle Name	
Last Name Czar		Suffix	
b. Title Executive Director		c. Telephone Number (give area code) 505-843-6880	
d. Signature of Authorized Representative		e. Date Signed 9/6/12	

Version 7/03

Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED 11/12/2012		Applicant Identifier	
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE		State Application Identifier	
		4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name: New Mexico Mortgage Finance Authority			Organizational Unit: Department:		
Organizational DUNS: 08-321-4742			Division:		
Address: Street: 344 4th St.SW			Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: First Name: Deborah		
City: Albuquerque			Middle Name		
County: Bernalillo			Last Name Davis		
State: New Mexico		Zip Code 87102		Suffix:	
Country: USA			Email: ddavis@housingnm.org		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 85-0252748			Phone Number (give area code) 505-767-2221		Fax Number (give area code) 505-242-2766
7. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>			7. TYPE OF APPLICANT: (See back of form for Application Types) A. State Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Emergency Shelter Grants Program			9. NAME OF FEDERAL AGENCY: US Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Balance of State of New Mexico			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: State of New Mexico 2013 Action Plan - ESG Program		
13. PROPOSED PROJECT Start Date: 1/1/2013 Ending Date: 12/31/2013			14. CONGRESSIONAL DISTRICTS OF: a. Applicant NM 1 b. Project NM 1, 2, 3		
15. ESTIMATED FUNDING: a. Federal \$ 1,311,996.00 b. Applicant \$.00 c. State \$.00 d. Local \$.00 e. Other \$.00 f. Program Income \$.00 g. TOTAL \$ 1,311,996.00			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
a. Authorized Representative Prefix Mr. First Name Jay Middle Name Last Name Czar Suffix					
b. Title Executive Director			c. Telephone Number (give area code) 505-843-6880		
d. Signature of Authorized Representative			e. Date Signed 9/6/12		

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED 09/05/12	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE n/a	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: State of New Mexico		Organizational Unit: Department: NM Department of Finance and Administration	
Organizational DUNS: 80-856-1567		Division: Local Government Division	
Address: Street: 407 Galisteo Street Bataan Memorial Building, Rm. 202 City: Santa Fe County: Santa Fe State: New Mexico Zip Code: 87501		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Middle Name: Last Name: Suffix: Dolores Middle Name: Last Name: Gonzales Suffix:	
Country: United States of America		Email: Dolores.Gonzales2@state.nm.us	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 85-6000565		Phone Number (give area code) 505-827-4972	Fax Number (give area code) 505-827-4948
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) A. State Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Labor Management Cooperation Program 14-228		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Balance of State of New Mexico		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: State of New Mexico 2012 Action Plan Community Development Block Grant Program	
13. PROPOSED PROJECT Start Date: 1/1/2013 Ending Date: 12/31/13		14. CONGRESSIONAL DISTRICTS OF: a. Applicant NM 3 b. Project NM 1, 2 & 3	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 8,440,071.00	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: 11/12/11	
b. Applicant	\$.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
e. Other	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$.00		
g. TOTAL	\$ 8,440,071.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix	First Name Dolores	Middle Name	
Last Name Gonzales	Suffix Ms.		
b. Title Bureau Chief	c. Telephone Number (give area code) 505-827-4972		
d. Signature of Authorized Representative	e. Date Signed		