

MFA Housing New Mexico MFA April Board of Directors Meeting April 17, 2024 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- > Approval of Agenda Board Action
- > Approval of 3/20/24 Board Meeting Minutes Board Action
- Executive Director Updates

Board Action Items (Action Required)

Consent Agenda

1 SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification (Robyn Powell & Stephanie Gonzales) YES

Finance Committee

2 Peachtree Canyon Bond Resolution (Christi Wheelock) YES

Contracted Services/Credit Committee

- 3 Peachtree Canyon HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Justin Carmona & George Maestas) YES
- 4 Biannual Compliance Activity Report (Julie Halbig) YES
- 5 2024 Draft Annual Action Plan (Sherry Stephens) YES
- 6 Housing Innovation Award Recommendation- HagermanForward Inc. (Daniela Freamon & Sonja Unrau) YES
- 7 Housing Innovation Award Recommendation San Felipe Pueblo Housing Authority (SFPHA) (Daniela Freamon & Sonja Unrau) YES
- 8 NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans (Troy Cucchiara) YES

Other

- 9 2024AB Bond Pricing Update (Arundhati Bose) NO
- 10 MFA Housing Continuum Updates (Donna Maestas DeVries & Jeff Payne) NO
- 11 FY 2024 Strategic Plan Update Benchmarks (Robyn Powell) YES
- 12 Code of Conduct: Updated Disclosure- Patricia Sullivan (Eleanor Werenko) NO

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Other Board Items
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Information Only

13 (Staff is available for questions)

Staff Action Requiring Notice to Board

Monthly Reports No Action Required

14 (Staff is available for questions)

Marketing & Communications Monthly Update

New Mexico Housing Trust Fund Monthly Update

-2/29/24 Financial Statement

Announcements and Adjournment Discussion Only

Confirmation of Upcoming Board Meetings

April 25, 2024 – Thursday- 3:00 p.m. Investment Committee
 Meeting (Board Members please RSVP if interested in attending)
 May 7, 2024 – Tuesday, Contracted Services 10:00 a.m. Finance
 Committee 1:30 p.m.

➤ May 15, 2024 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

May 30, 2024 - Thursday- 3:00 p.m. Investment Committee
 Meeting (Board Members please RSVP if interested in attending)
 June 11, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance
 Committee 1:30 p.m.

➤ June 20, 2024 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)

June 27, 2024 - Thursday- 3:00 p.m. Investment Committee
 Meeting (Board Members please RSVP if interested in attending)
 July 9, 2024 – Tuesday, Contracted Services 10:00 a.m. Finance
 Committee 1:30 p.m.

➤ July 17, 2024 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

➤ July 25, 2024- Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)



NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting 344 4th St. SW, Albuquerque, NM Wednesday, April 17, 2024- 9:30 a.m.

Proposed Agenda

Cł	hair Convenes Meeting	
≻	Roll Call (Izzy Hernandez)	
≻	Approval of Agenda – Board Action	
≻	Approval of 3/20/24 Board Meeting Minutes – Board Action	
		Action Required
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	Stephanie Gonzales)	YES
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2	Peachtree Canyon Bond Resolution (Christi Wheelock)	YES
Co	ontracted Services/Credit Committee	
$\frac{\alpha}{3}$	Peachtree Canyon – HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Lo	an Requests
0	(Justin Carmona & George Maestas)	YES
4	Biannual Compliance Activity Report (Julie Halbig)	YES
5	2024 Draft Annual Action Plan (Sherry Stephens)	YES
6	Housing Innovation Award Recommendation- HagermanForward Inc. (Daniela Freamon & Sonja U	
7	Housing Innovation Award Recommendation – San Felipe Pueblo Housing Authority (SFPHA) (Dar	· ·
	& Sonja Unrau)	YES
8	NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans (Troy Cucchiara)	YES
Ot	ther	
9	2024AB Bond Pricing Update (Arundhati Bose)	NO
10	MFA Housing Continuum Updates (Donna Maestas DeVries & Jeff Payne)	NO
	FY 2024 Strategic Plan Update Benchmarks (Robyn Powell)	YES
	Code of Conduct: Updated Disclosure- Patricia Sullivan (Eleanor Werenko)	NO
01	ther Board Items Inf	ormation Only
	(Staff is available for questions)	·····
	 Staff Actions Requiring Notice to Board 	
M	onthly Reports Non-A	ction Required
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	 New Mexico Housing Trust Fund Monthly Update 	
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- Approval of Agenda Board Action
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- **Executive Director Updates** \triangleright

Board Action Items

Action Required

Consent Agenda

SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification (Robyn Powell 1 & Stephanie Gonzales) - Staff is presenting the revised New Mexico Mortgage Finance Authority Resolution, Notification and Recertification for approval, which will be submitted to the State Board of Finance, recertifying the SFY2024 Severance Tax Bond funding. YES

Finance Committee

2 Peachtree Canyon Bond Resolution (Christi Wheelock) - Staff requests approval for the attached Bond Resolution for Peachtree Canyon, authorizing the issue of up to \$20 million in tax-exempt bonds, expected to close in June 2024. The City of Las Cruces faces a significant shortage of affordable housing. By approving the Bond Resolution, funds will be generated through bond proceeds to finance the construction of 144 new housing units. Importantly, all of these units will be subject to rent restrictions for a duration of 45 years, ensuring long-term affordability. YES

Contracted Services/Credit Committee

- 3 Peachtree Canyon - HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Justin Carmona & George Maestas) - A \$800,000 HOME loan, \$1,500,000 NHTF loan, and \$3,000,000 NMHTF loan request for Peachtree Canyon, located in Las Cruces, New Mexico. Peachtree Canyon is a proposed New Construction multifamily project that will create 144 one-, two-, and three-bedroom units for households with children. One hundred thirty-eight units will be income restricted to households earning 60% or less of Area Median Income (AMI). Six of the units will be income restricted to households earning 30% or less of AMI. YES
- Biannual Compliance Activity Report (Julie Halbig) The activities described in this report are intended to provide 4 the Board of Directors with assurance that MFA is effectively managing compliance management activities and the results of related oversight of MFA's single-family mortgage lending and servicing departments, including subservicing oversight. Compliance activities will be reported to the Board through the Contracted Services/Credit Committee no less than twice per year, and as needed to fulfill the compliance department's responsibility to inform the Board of any critical compliance issues. There were no significant compliance concerns identified during this reporting period. YES
- 5 2024 Draft Annual Action Plan (Sherry Stephens) - The Compliance and Initiatives staff request board approval of the 2024 draft Annual Action Plan to progress towards meeting HUD regulations and final submission to HUD in May 2024. YES
- 6 Housing Innovation Award Recommendation- HagermanForward Inc. (Daniela Freamon & Sonja Unrau) -The Housing Innovation Scoring Committee recommends awarding \$500,000 to HagermanForward Inc. under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund. YES
- 7 Housing Innovation Award Recommendation - San Felipe Pueblo Housing Authority (SFPHA) (Daniela Freamon & Sonja Unrau) - The Housing Innovation Scoring Committee recommends awarding \$450,000 to the San Felipe Pueblo Housing Authority (SFPHA) under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund. YES

Information Only

Non-Action Required

Discussion Only

8 NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans (Troy Cucchiara) - The NM Energy\$mart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$9,150 in weatherization measures including weatherization readiness. The Department of Energy (DOE) is the primary funding source and they set the rules and regulations for the program. Additionally, DOE is the source of funding that provides for vehicles, equipment, and a training and technical assistance budget. To receive funding from DOE, a State Plan must be submitted no later than May 1, 2024. Funding for the 2024/2025 State Plan totals \$4,570,767.61. With the DOE funding, we are projecting that ICAST will weatherize approximately 36 multifamily statewide units, Central New Mexico Housing will weatherize approximately 40 single family units, and Red Feather Development will weatherize a total of 7 single family units, for a statewide total of 181 units. ICAST will begin sustainability projects with the SERC grant on approximately 200 units.

Other

9 2024AB Bond Pricing Update (Arundhati Bose) - MFA Bond issue 2024AB closed on Feb 22, 2024. The closing and pricing details on bond yields, loan rates, cost of issuance and optional call date for the bonds will be discussed.

	NO
10 MFA Housing Continuum Updates (Donna Maestas DeVries & Jeff Payne)	NO
11 FY 2024 Strategic Plan Update Benchmarks (Robyn Powell)	YES
12 Code of Conduct: Updated Disclosure0 Patricia Sullivan (Eleanor Werenko)	NO

Other Board Items

- 13 (Staff is available for questions)
 - Staff Actions Requiring Notice to Board

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Announcements and Adjournment

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NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Minutes 344 4th St. SW, Albuquerque, NM Wednesday, March 20, 2024, at 9:30 a.m.

Chair Angel Reyes convened the meeting on March 20, 2024, at 9:38 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, State Treasurer Laura M. Montoya, Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Rebecca Wurzburger and Patricia Sullivan. Virtual attendance: Gideon Elliot (designee for Attorney General Raúl Torrez), Derek Valdo (arrived at 9:54 a.m. during Executive Director Updates). Absent: none. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed Board members, guest, and staff. He informed everyone that the meeting is being recorded, making reference to the microphone sensitivity. He then provided voting protocol for those members participating virtually.

Approval of Agenda – Board Action. Motion to approve the March 20, 2024, Board agenda with changes to include Item #5 to be a Non-Action item and Item #8 and #9 order switch: Wurzburger. Seconded by Sullivan. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.

Approval of 2/21/24 Board Meeting Minutes – Board Action. Motion to approve the February 21, 2024, Board Meeting Minutes as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.

Hernandez provided his Executive Director updates: **Program Updates**: Homeless Served (Unduplicated): Dec. '23: 290-11,300 (beds). 17 Partners: 392 Permanent Housing (FYTD Mortgage Ops: Significantly ahead of last year's weekly avg. MFA (GOV) Int. 6.50%/Mkt:7.0% (3/20/24) – 4.50% (4/22). \$13.2M current weekly average vs. \$9.58M last year. **YTD Overall Production**: Hernandez then discussed the year-to-date production as of 1/31/24 graph. He mentioned the detailed table that breaks down the individuals' assisted through various program by county. He was happy to announce there is only one county that has not had assistance this year. **Significant meetings/presentations**: 2/22: Cibola County Chamber of Commerce. 2/27: Vista de Socorro Groundbreaking. 3/12: Ruidoso Meetings. **Upcoming Meetings**: 3/21: Mtg w/Greater Gallup EDC, SF Housing. 3/21: Deadline to submit application to the NMEM Natural Resource Dept. for Energy Efficiency Rebates. 3/25: Richard Eeds Radio Show (2-3). He mentioned following next months' Board meeting there will be a Board working session.

Member Valdo Joined the meeting during the Executive Director Update at 9:54 a.m.

Finance Committee

1 MFA Employee Benefits & Management Internal Audit Report (Claire Hilleary, CPA, Director and Halie Garcia, CPA & CIA, Partner with Moss Adams). Julie Halbig began the presentation introducing Halie Garcia CPA & CIA, Partner of Moss Adams. Garcia then began by stating Moss Adams was contracted by MFA to perform an internal audit related to MFA's employee management and retirement plan functions. The audit took place between September 2023 through January 2024. The objectives focused on determining whether MFA: followed select internal processes pertaining to the 401(k) plan, complied with certain requirements of the 401(k) plan documents, had sound internal controls in place to identify potential errors with the 401(k) plan, complied with select internal P&Ps pertaining to the its Humans Resources (HR) and employee management practices, and had sound internal controls in place to identify potential errors, and Family Medical Leave Act. In conclusion of the audit, there were no findings identified. Motion to approve the MFA Employee Benefits & Management Internal Audit Report as presented: C'de Baca. Seconded by State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo-

yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburgeryes, Patricia Sullivan- yes. Vote: 7-0.

Contracted Services/Credit Committee

2 Recovery Housing Program (RHP) 2024 Action Plan Approval (Theresa Laredo-Garcia and Jackie Homet). Homet began her presentation recommending approval of the Recovery Housing Program (RHP) Action Plan Amendment, with a total of \$2349,584 available through the NOFA. She stated upon approval of this Action Plan amendment, MFA will comply with the Citizen's Participation Plan (CPD) notifications for the amended RHP Action Plan and Notice of Funding Availability (NOFA). The approved RHP Action Plan will be submitted through HUD's Disaster Recovery Grant Reporting system (DRGR). The Notice of Funding Availability (NOFA) is scheduled to be released in early April, upon approval of the action plan by HUD. Discussion ensued regarding publication and review dates. Motion to approve the Recovery Housing Program (RHP) 2024 Action Plan Approval with updates to publication and review dates: Wurzburger. Seconded by State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

3 Recovery Housing Program (RHP) Notice of Funding Availability Approval (Theresa Laredo-Garcia and Jackie Homet). Homet began her presentation recommending approval of the Recovery Housing Program (RHP) Notice of Funding Availability Approval, in conjunction with, and upon approval of the RHP Action Plan Amendment. She stated to date, MFA has awarded a total of \$2,713,712 in RHP funding to qualified service providers. The NOFA is updated only to add additional funding, redistribute an award that was reverted to MFA and provide an estimated release date. A total of \$2,349,584 is available through the RHP Action Plan amendment and corresponding NOFA. The total amount available represents FY2023 in the amount of \$1,205,370 and returned award in the amount of \$1,144,213. Staff will also evaluate the program design and implementation plan, project viability and long-term sustainability, and other required programmatic components. HUD guidance encourages grantees to partner with agencies who can provide holistic, wrap-around services and agencies who are positioned to provide beneficiaries with access to programs that can assist them either before or after receiving RHP services (e.g., Continuum of Care). Motion to approve the Recovery Housing Program (RHP) Notice of Funding Availability Approval with conditional parameter that all dates for notice will be reviewed and updated: State Treasurer Laura M. Montoya. Seconded by Sullivan. Roll Call Vote: Angel Reyesyes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

4 Single Family Development Grant Pilot Program Award – Homewise for Sombra del Oeste (Sharlynn Rosales and Sonja Unrau) –Rosales began her presentation by recommending the approval of a \$500,000 grant award to Homewise for the Sombra del Oeste Project under the Single-Family Development Grant Pilot Program Notice of Funding Availability (NOFA). The funding source of the Single-Family Development Grant Pilot Program is New Mexico Housing Trust Fund (NMHTF), therefore staff recommends approval by MFA, as Trustee of the NMHTF. She stated with this award, Homewise's intention is to spur affordable single-family development by providing downpayment assistance to a minimum of 10 homebuyers within the Sombra del Oeste Townhome Subdivision. This subdivision will have 75 single-family homes and is scheduled to begin construction in February of 2025. The subdivision will be located on Gibson Boulevard SW between 98th Street SW and Barbados Avenue SW, in Albuquerque, New Mexico. Motion to approve the Single Family Development Grant Pilot Program Award as presented: Wurzburger. Seconded by Sullivan. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

<u>Other</u>

5 Appointment of the Nominating Committee (Chair, Angel Reyes) – Chair Reyes began his presentation presenting the nominating committee: Angel Reyes (Chair), Lieutenant Governor, Howie Morales, and Attorney

General, Raúl Torrez. He then stated the Nominating Committee shall be responsible for presenting nominations for officers, other than the Chairman and the Executive Director, including without limitation the Vice Chairman, the Secretary, the Assistant Secretary, the Treasurer and the Assistant Treasurer. The Chairman shall appoint a Nominating Committee during or prior to April of each year. The Nominating Committee shall consist of three members of the Authority. The nominations shall be presented and elections held no later than the June meeting of the Board of Directors held in such year. The vote for officers shall be held in such manner as the directors may determine. Non-Action Item.

2024 Legislative Session Update and Outcomes (Robyn Powell) – Powell began her presentation stating that the 2024 legislative session marked an historic year in housing legislation by appropriating a total of \$194 million for housing activities and expanding housing financing opportunities. She also stated that MFA put forth two bills this session with the aim of increasing resources for affordable housing: Senate Bill 7, sponsored by Senator Nancy Rodriguez, proposed a one-time, non-reverting appropriations of \$500 million to the New Mexico Housing Trust Fund (NMHTF). Senate Bill 31, sponsored by Senator Bobby J. Gonzales and Representative Cristina Parajon, proposed a one-time, non-reverting appropriations of \$500,000 for carrying out provisions of the Affordable Housing Act. The Senate Health and Public Affairs Committee gave a do pass recommendations and referrals to Senate Finance Committee. Both bills were presented at Senate Finance Committee and ultimately resulted in a \$50 million appropriation via a general fund transfer to the New Mexico Housing Trust Fund via House Bill 2, the state operating budget. Non-Action Item.

7 **MFA Portfolio Delinquency Update (Teresa Lloyd)** – Lloyd presented the delinquency trends for MFA's loan portfolio as of December 31, 2023, to include the first mortgage portfolio subserviced by Idaho Housing Finance Association and MFAs in house direct servicing portfolio. MFA's subserviced portfolio delinquency as of December 31, 2023, is 12.97% up from 9.84% June 30, 2023. She also stated MFAs in house direct servicing portfolio delinquency as of December 31, 2023, is 8.52% down from 9.96% as of June 30, 2023. Actions taken to reduce delinquency and the impacts the economy and other factors have on both portfolios were also discussed. Discussion ensued regarding delinquency trends and detailed explanations of charts. Non-Action Item.

Chair Reyes stepped out at 10:52 a.m. during tab 7 and returned at 10:54 a.m.

Member Elliot stepped out at 10:53 a.m. during tab 7 and returned at 11:06 a.m.

Member Valdo stepped out at 11:01 a.m. during tab 7 and returned at 11:06 a.m.

Member Valdo left the meeting at 11:40 a.m. during tab 7.

8 Review of Board Reference Manual (Izzy Hernandez & Eleanor Werenko) – Hernandez began his presentation with an overview of the Board Reference Manual starting with the MFA Act and MFA Rules and Regulations highlighting the Legislative Fundings: Declaration of Purpose; Definitions, Authority Created, Powers of the Authority, Duties of the Authority, Authority Designated as Single State Housing Authority, Duties, Rules and Regulations of the Authority, Planning, Zoning and Building Laws, Bonds and Notes of the Authority, Reserve Funds, State and Municipalities Not Liable on Bonds and Notes, Tax Exemptions, and Money of the Authority. He then gave a brief highlight of the MFA Act Rules and Regulations, General Definitions and Amendments to Rules and Regulations. He then highlighted the New Mexico Housing Trust Fund (NMHTF) Act and Rules and Regulations, reviewing; General Definitions, New Mexico Housing Trust Fund creation, Advisory committee creation, use of funds and Rules of Operation of NMHTF. He also discussed a brief overview of the MFA Housing Continuum which covers everything from Homeless to Homeowner. Werenko highlighted Board Compositions, Committees, Meetings, Finances, Conflicts of Interest, MFA Act Rules and Regulations, and Indemnification in the MFA Bylaws. She then highlighted the MFA Policies and Procedures stating it aligns with the MFA Act, Bylaws, Other State and Federal Statues/Regulations as applicable. Hernandez then closed the presentation highlighting income limits. Non-Action Item.

Member Sullivan left the meeting at 12:06 p.m. during tab 8.

Member C'de Baca stepped out at 12:12 p.m. during tab 8 and returned at 12:19 p.m.

9 MFA Housing Continuum Updates (Donna Maestas DeVries & Jeff Payne) – Motion to table MFA Housing Continuum Update: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, Gideon Elliot- absent, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 4-0.

Other Board Items- Information Only

- 10 There were no questions asked of staff.
- Staff Action Requiring Notice to Board

Quarterly Reports- Non-Action Required

- 11 There were no questions asked of staff.
- Marketing & Communications Monthly Update
- New Mexico Housing Trust Fund Monthly Update
- 1/31/24 Financial Statement

Announcements and Adjournment- Confirmation of upcoming Board Meetings. Hernandez provided an update on the Housing Trust Fund. Chair Reyes ended the meeting recognizing Teresa Lloyed for her time with MFA.

There being no further business the meeting adjourned at 12:36 p.m.

Approved:

Chair, Angel Reyes

Secretary, Isidoro Hernandez



MEMO

TO:	MFA Board of Directors
Through:	Policy Committee April 2, 2024 New Mexico Housing Trust Fund Advisory Committee April 8, 2024 Contracted Services Committee April 9, 2024
FROM:	Robyn Powell, Director of Policy and Planning Stephanie Gonzales, Research and Development Manager
DATE:	April 17, 2024
SUBJECT:	SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and RE Certification

Recommendation

Staff recommends adoption of the amended New Mexico Mortgage Finance Authority Resolution, Notification and Recertification (Recertification) to the New Mexico State Board of Finance recertifying the need for funding in the amount of \$37,530,000 for state fiscal year 2024 (July 1 to June 30).

Background

In April 2023, the MFA Board of Directors certified approved uses for the SFY2024 Severance Tax Bond Funding to State Board of Finance. State Board of Finance provided guidance that MFA must recertify amendments to certified use allocations. In February 2024, staff proposed an amendment to the Certification which was approved by the Board, signed, and submitted to the State Board of Finance for approval. Upon submission of the amended certification, the State Board of Finance has reviewed the amended certification and requested that changes be incorporated and ratified by the MFA Board.

Discussion

MFA reviewed the proposed changes to the Certification (See Exhibit A), which were also reviewed by MFA general counsel. The suggested changes have been incorporated into the Recertification, which upon Board approval will be resubmitted to the State Board of Finance for their approval (See Exbibit B).

Summary

Staff is presenting the revised New Mexico Mortgage Finance Authority Resolution, Notification and Recertification for approval, which will be submitted to the State Board of Finance, recertifying the SFY2024 Severance Tax Bond funding.

<u>Exbibit A</u>

SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Certification - Redline

NEW MEXICO MORTGAGE FINANCE AUTHORITY RESOLUTION, NOTIFICATION AND CERTIFICATION RECERTIFICATION

February 21, 2024

WHEREAS, the Legislature of the State of New Mexico (the "State"), at its 1975 regular session, adopted Chapter 303, Laws of New Mexico, 1975, known and cited as the Mortgage Finance Authority Act, NMSA 1978 §§ 58-18-1 through 58-18-27 (the "Act");

WHEREAS, there was created by the Act, a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality known and identified as the "New Mexico Mortgage Finance Authority" ("MFA"), MFA being created and established to serve a public purpose and to act for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public;

WHEREAS, MFA was created to provide decent, safe and sanitary residential housing to persons of low or moderate income;

WHEREAS, the purpose of the New Mexico Housing Trust Fund Act, as defined below, is to provide flexible funding for housing initiatives in order to produce and preserve significant housing investment in the state; NMSA 1978,

WHEREAS, money from the proceeds of severance tax revenue bonds or notes ("Bonds") authorized in the Severance Tax Bonding Act, Sections 7-27-1 et seq. NMSA 1978, as amended (the "Severance Tax Bonding Act") and particularly Section 7-27-49 thereof, is to be allocated to the New Mexico Housing Trust Fund (the "Fund") created within the New Mexico Mortgage Finance Authority (the "MFA") under the New Mexico Housing Trust Fund Act, Section 58-18C-1 et seq. NMSA 1978, as amended (the "HTF Act") for the purposes of carrying out the provisions of the HTF Act; and

and?

WHEREAS, The MFA Board of Directors approved certified the uses of the state fiscal year severance tax allocation to the New Mexico Housing Trust Fund on April 19, 2023.

WHEREAS, since the April 19, 2023 MFA identified a need to amend the certified uses to better serve New Mexico's housing needs and present the amended certified uses in Exhibit A: Amendment to State Fiscal Year 2024 Certified Uses, attached hereto State Fiscal Year 2024 Certified Uses, attached

NOW, THEREFORE, BE IT RESOLVED AND CERTIFIED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THAT:

MFA, as trustee of the New Mexico Housing Trust Fund, hereby certifies and notifies the infinite the finance that at least Thirty-seven Million Five Hundred Thousand Dollars (\$37,500,000) is purposes listed on Exhibit A, and that each of such purposes (a) is an authorized use of Recent Re 1. State Board of Finance that at least Thirty-seven Million Five Hundred Thousand Dollars (\$37.500.000) is needed for the purposes listed on Exhibit A, and that each of such purposes (a) is an authorized use of such proceeds under the terms of the Severance Tax Bonding Act and the HTF Act, (b) constitutes a capital project, (c) does not include any indirect project costs or operational or working capital expenditures, and (d) to the extent proceeds are transferred to a non-governmental entity, complies (or will comply, when such proceeds are transferred) with the Affordable Housing Act, Sections 6-27-1 et seq. NMSA 1978, which codifies the exception to the Anti-Donation Clause of the New Mexico Constitution contemplated in Article IX, Section 14, Paragraphs E and F of the Constitution.

Recertification of this Recertification

2. Should the purposes to which such funds are to be applied change such that (a) the amount allocated to any category shown on Exhibit A is increased or reduced by more than five percent (5%), or (b) such changes result in an aggregate change in the amount needed to an amount which is less than the amount certified in this Resolution, the MFA will promptly (and no later than 60 days after such change is identified) supplement and re-certify to the State Board of Finance its needs as detailed on Exhibit A to reflect any updates in the anticipated or actual application of such proceeds in accordance with the Severance Tax Bonding Act and the HTF Act. To apply the amounts

accordance with the Severance Tax Bonding Act and the HTF Act. to apply the amounts listed in Exhibit A herets for each necertified (expected to consist of short-term taxable severance tax notes) in the aggregate principal amount of Thirty-seven Million Five Hundred Thousand Dollars (\$37,500,000) for the purposes set forth on Exhibit As hereto.

4. During the course of expenditure of proceeds Gertified herein, MFA shall monitor the use and expenditure of proceeds and ensure proper reversions as provided in clause C of Section 7-27-49 of the Severance Tax Bonding Act, and shall from time to time (at least annually) provide a written report to the State Board of Finance describing: (a) actual expenditure of Bond proceeds, (b) and recercified projects (c) reversions, if any, (d) specific projects funded by proceeds deposited in any revolving loan fund, and (e) MFA's policies and procedures for determination and prioritization of eligible projects expected to be funded with proceeds of Bonds.

and recentification

5. All conditions, contingencies and limitations imposed by law with respect to the certification of the need for the Bonds to finance the projects and the expenditure of funds with respect thereto, if any, have been satisfied.

The undersigned hereby certifies that the above and foregoing resolutions were duly adopted by the Board of Directors of the New Mexico Mortgage Finance Authority at a meeting duly called, held and conducted on February 21, 2024.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS _____ ___ DAY OF ___________, 2024.

By:

Angel Reyes, Chair New Mexico Mortgage Finance Authority

CERTIFICATION

Recertification

I HEREBY CERTIFY, that I am the Secretary of the New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution, notification and certification of the duly and regularly adopted by the vote of the majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA bylaws in effect on January 18, 2023; that there is no provision in the articles of the MFA bylaws conflicting with said resolution, notification and exertification; and that said resolution, notification and certification has not been modified or revoked and still remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this _____ day of _____, 2024.

Isidoro Hernandez, Secretary

(SEAL)

<u>Exbibit B</u>

SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification

NEW MEXICO MORTGAGE FINANCE AUTHORITY RESOLUTION, NOTIFICATION AND RECERTIFICATION

April 17, 2024

WHEREAS, the Legislature of the State of New Mexico (the "State"), at its 1975 regular session, adopted Chapter 303, Laws of New Mexico, 1975, known and cited as the Mortgage Finance Authority Act, NMSA 1978 §§ 58-18-1 through 58-18-27 (the "Act");

WHEREAS, there was created by the Act, a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality known and identified as the "New Mexico Mortgage Finance Authority" ("MFA"), MFA being created and established to serve a public purpose and to act for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public;

WHEREAS, MFA was created to provide decent, safe and sanitary residential housing to persons of low or moderate income;

WHEREAS, the purpose of the New Mexico Housing Trust Fund Act, as defined below, is to provide flexible funding for housing initiatives in order to produce and preserve significant housing investment in the state;

WHEREAS, money from the proceeds of severance tax revenue bonds or notes ("Bonds") authorized in the Severance Tax Bonding Act, Sections 7-27-1 et seq. NMSA 1978, as amended (the "Severance Tax Bonding Act") and particularly NMSA 1978, Section 7-27-49, is to be allocated to the New Mexico Housing Trust Fund (the "Fund") created within the MFA under the New Mexico Housing Trust Fund Act, Section 58-18C-1 et seq. NMSA 1978, as amended (the "HTF Act") for the purposes of carrying out the provisions of the HTF Act; and

WHEREAS, The MFA Board of Directors approved and certified the uses of the state fiscal year severance tax allocation to the Fund on April 19, 2023.

WHEREAS, since April 19, 2023 the MFA has identified a need to amend the certified uses to better serve New Mexico's housing needs and presented the amended certified uses (the "Recertification") in **Exhibit A: Amendment to State Fiscal Year 2024 Certified Uses, attached hereto**.

NOW, THEREFORE, BE IT RESOLVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THAT:

1. MFA, as trustee of the Fund, hereby recertifies and notifies the State Board of Finance that at least Thirty-seven Million Five Hundred Thousand Dollars (\$37,500,000) is needed for the recertified purposes listed on Exhibit A, and that each of such purposes identified in this Recertification: (a) is an authorized use of such proceeds under the terms of the Severance Tax Bonding Act and the HTF Act, (b) constitutes a capital project, (c) does not include any indirect project costs or operational or working capital expenditures, and (d) to the extent proceeds are transferred to a non-governmental entity, complies (or will comply, when such proceeds are transferred) with the Affordable Housing Act, Sections 6-27-1 et seq. NMSA 1978, which codifies the exception to the Anti-Donation Clause of the New Mexico Constitution contemplated in Article IX, Section 14, Paragraphs E and F of the Constitution.

2. Should the purposes to which such funds are to be applied change such that (a) the amount allocated to any category shown on Exhibit A of this Recertification is increased or reduced by more than five percent (5%), or (b) such changes result in an aggregate change in the amount needed to an amount which is less than the amount certified in this Recertification, the MFA will promptly (and no later than 60 days after such change is identified) supplement and re-certify to the State Board of Finance its needs as detailed on Exhibit A hereto to reflect any updates in the anticipated or actual application of such proceeds in accordance with the Severance Tax Bonding Act and the HTF Act.

3. The State Board of Finance is hereby requested to apply the amounts listed in Exhibit A hereto for each recertified project (consisting of short-term taxable severance tax note proceeds) in the aggregate principal amount of Thirty-seven Million Five Hundred Thousand Dollars (\$37,500,000) for the purposes set forth on Exhibit A hereto.

4. During the course of expenditure of the proceeds recertified herein, MFA shall monitor the use and expenditure of such proceeds and ensure proper reversions are made as provided in clause C of Section 7-27-49 of the Severance Tax Bonding Act, and shall from time to time (at least annually) provide a written report to the State Board of Finance describing: (a) actual expenditure of Bond proceeds, (b) reconciliation of actual expenditures against anticipated and previously certified and recertified projects, (c) reversions, if any, (d) specific projects funded by proceeds deposited in any revolving loan fund, and (e) MFA's policies and proceeds of Bonds.

5. All conditions, contingencies and limitations imposed by law with respect to the certification are recertification of the need for the Bonds to finance the original and recertified projects and the expenditure of funds with respect thereto, if any, have been satisfied.

The undersigned hereby certifies that the above and foregoing Recertification was duly adopted by the Board of Directors of the New Mexico Mortgage Finance Authority at a meeting duly called, held and conducted on April 17, 2024.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS __ DAY OF _____, 2024.

Ву: ____

Angel Reyes, Chair New Mexico Mortgage Finance Authority

CERTIFICATION

I HEREBY CERTIFY, that I am the Secretary of the New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution, notification and Recertification duly and regularly adopted by the vote of the majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA bylaws in effect on January 18, 2023; that there is no provision in the articles of the MFA bylaws conflicting with said resolution, notification and recertification; and that said resolution, notification and recertification has not been modified or revoked and still remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this ______ day of _____, 2024.

Isidoro Hernandez, Secretary

(SEAL)

Certified Use	Description	Certified Uses Approved on April 19, 2023	Certified Uses Amended on February 21, 2024
Down Payment Assistance	Provide down payment assistance to first-time and non-first-time homebuyers with low to moderate incomes	\$8,500,000	\$11,625,000
First Mortgage	Provide first mortgage loans for first-time and non-first-time homebuyers with low to moderate incomes; purchase home loans originated by partners and provided to low to moderate income homeowners	\$3,400,000	\$ -
Single Family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home (vacant or occupied) emergency repairs, accessibility and energy efficiency improvements and complete rehabilitation for low to moderate income homeowners.	\$1,500,000	\$1,775,000
Single family acquisition and rehabilitation	Provide assistance to stabilize communities by acquiring vacant, abandoned and/or foreclosed homes and by rehabilitating, reselling and/or redeveloping these homes; conduct demolition or deconstruction of vacant or abandoned buildings (including residential, commercial, or industrial buildings) paired with greening or other lot improvement as part of a strategy for neighborhood revitalization.	\$2,000,000	\$2,000,000
Housing development	Provide construction and permanent financing to develop, including both new and substantial rehabilitation, affordable rental and homeownership for low to moderate income households.	\$22,130,000	\$22,130,000
TOTAL		\$37,530,000	\$37,530,000

Exhibit A: Amendment to State Fiscal Year 2024 Certified Uses



NEW MEXICO MORTGAGE FINANCE AUTHORITY Finance/Operations Committee Meeting Tuesday, April 9, 2024 at 1:30 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 2481 498 9612 or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
Agenda1Peachtree Canyon Bond Resolution- Christi Wheelock	Approved	YES
2 Investment Discussion- Arundhati Bose, John Ulrich (Investment Advisor)	Committee has requested further clarifications, but approved presentation	No
Information items3February 2024 Wire Transfers	Approved	NO
4 February 2024 Check Register	Approved	NO

Committee Members present:

Derek Valdo, Chair	☑ present	□ absent	\Box conference call
State Treasurer Laura M. Montoya/			
JR Rael	☑ present	□ absent	\Box conference call
Lt. Governor Howie Morales or			
Proxy Martina C'de Baca	☑ present	□ absent	\Box conference call

Arundhati Bose on behalf of CEO 4/11/24



MEMO

TO:	MFA Board of Directors
	Through: Policy Committee – April 1, 2024
	Through Finance Committee – April 9, 2024
FROM:	Christi Wheelock, Tax Credit Program Analyst
DATE:	April 17, 2024
RE:	Bond Resolution – Peachtree Canyon

RECOMMENDATION:

Staff requests approval of the attached Bond Resolution for Peachtree Canyon (the "Project").

BACKGROUND:

MFA received an application for 4% low-income housing tax credits and \$20 million of taxexempt bond volume cap for the development of Peachtree Canyon I, a new construction project located in Las Cruces. An anticipated \$8,024,951 of the tax-exempt bonds will remain in the project as permanent financing. The Project will feature 144 units, all rentrestricted, including six units designated for extremely low-income households. The developer is Thomas Development Group, LLC, headquartered in Sioux Falls, SD. The project's owner, Peachtree Canyon LP, includes Peachtree Canyon GP, LLC as the general partner, New Mexico Housing and Community Development Corporation (NMHCDC) as the non-profit partner, and Affordable Housing Partnership, a Berkshire Hathaway entity (specific fund to be determined), as the limited partner. The owner intends to engage JL Gray Properties, Inc. to serve as property manager. JL Gray Properties manages 96 tax credit properties across New Mexico.

The project will be situated on a 7.4-acre vacant parcel within the Metro Verde South Planned Unit Development, located at 7081 Jornada Road in northeast Las Cruces. The property will be developed with six three-story buildings containing one-, two- and three-bedroom apartments for Households with Children at income levels from 30% of Area Median Income (AMI) up to 60% of AMI. A separate, detached community building will house the management offices, community room, and computer center. Outdoor amenities will include a swimming pool, gathering spaces with fire pits, BBQ areas, age-appropriate playgrounds and electric vehicle (EV) charging stations.

Before Chief Lending Officer Jeff Payne approved the inducement resolution on May 10, 2023, jurisdictional notices were sent to the City of Las Cruces in accordance with Internal

New Mexico Mortgage Finance Authority 344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org Revenue Code Section 42(m)(1)(A)(ii) and Section 58-18-10 of the New Mexico Statutes Annotated 1978 edition. The project received positive support from former mayor, Ken Miyagishima on February 1, 2023.

The State Board of Finance approved the Project's request for \$20 million in Private Activity Bonds at the March 19, 2024, meeting. A Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing was conducted on March 29, 2024, to gather public comments before the project was submitted to the Governor for final approval.

DISCUSSION:

MFA staff has reviewed the proposed Project, including an area market study and the developer's pro forma spreadsheets, and has determined the proposed financing for the Project is financially feasible and the Project will comply with MFA's design requirements. The City of Las Cruces City Council recognizes the need for affordable housing in its 2021-2025 Consolidated Plan reflecting a shortage of nearly 5,600 rental units for low-income households. Approval of this Bond Resolution will create 144 new homes for low-income families. Cedar Rapids Bank and Trust's Specialty Finance Group will purchase the proposed bonds. The Project is slated to close in June 2024 with construction beginning immediately upon closing.

SUMMARY:

Staff requests approval for the attached Bond Resolution for Peachtree Canyon, authorizing the issue of up to \$20 million in tax-exempt bonds, expected to close in June 2024. The City of Las Cruces faces a significant shortage of affordable housing. By approving the Bond Resolution, funds will be generated through bond proceeds to finance the construction of 144 new housing units. Importantly, all of these units will be subject to rent restrictions for a duration of 45 years, ensuring long-term affordability.

.....

Peachtree Canyon Apartments Project

CERTIFICATE REGARDING THE RESOLUTION

OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, the Executive Director/Chief Executive Officer and Secretary of the New Mexico Mortgage Finance Authority (the "Authority"), DO HEREBY CERTIFY that: (i) the annexed resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on April 17, 2024, at which meeting a quorum was present and acting throughout; (ii) the annexed resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed resolution has not been altered, amended or repealed; and (iv) the annexed resolution is in full force and effect on the date of this certificate.

EXECUTED, DATED AND SEALED April 17, 2024.

Isidoro Hernandez Executive Director/Chief Executive Officer and Secretary

(SEAL)

BOND RESOLUTION Peachtree Canyon Apartments Project

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE OR INCURRENCE OF INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 IN THE FORM OF BONDS, NOTES OR OTHER DEBT OBLIGATIONS TO FINANCE THE CONSTRUCTION AND EQUIPPING OF Α **MULTIFAMILY RESIDENTIAL RENTAL HOUSING FACILITY; PROVIDING FOR THE** PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; APPROVING THE TERMS AND AUTHORIZING THE EXECUTION OF **CERTAIN FINANCING AGREEMENTS REQUIRED IN CONNECTION** THEREWITH; RATIFYING **CERTAIN ACTIONS HERETOFORE** WITH SUCH OBLIGATIONS; AND TAKEN IN CONNECTION AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE **CONSUMMATION** OF THE **TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.**

WHEREAS, the New Mexico Mortgage Finance Authority (the "Authority") is authorized by the Constitution and the laws of the State of New Mexico (the "State"), particularly Chapter 58, Article 18, NMSA 1978, as amended (the "Act") (a) to issue revenue bonds, notes, loans and other obligations for the purpose of making project mortgage loans to finance the acquisition, construction or rehabilitation of multifamily housing facilities; (b) to enter into agreements for the purpose of providing revenues to pay such revenue bonds upon such terms and conditions as the Authority may deem advisable; (c) to secure the payment of such revenue bonds; and (d) to otherwise participate fully in federal government housing programs to secure for the people of the State the benefits of such programs; and

WHEREAS, to provide decent, safe and sanitary residential housing facilities for low or moderate income persons within the State who are eligible under the Act, and after having determined that mortgage loans are not otherwise available upon reasonably equivalent terms and conditions from private lenders, the Authority has developed rules and regulations with respect to the issuance by the Authority of multifamily revenue bonds, notes, loans and other obligations to finance the construction, acquisition/rehabilitation and/or equipping of multifamily residential facilities intended for rental to eligible persons located in the State; and

WHEREAS, Peachtree Canyon Apartments, LLLP, a New Mexico limited liability limited partnership (or an entity related to or affiliated therewith), on behalf of itself and its affiliated entities either existing now or to be created (collectively, the "Borrowers" and each a "Borrower"), has proposed a project consisting of the construction and equipping of the multifamily housing project identified in Exhibit A attached hereto (the "Project"); and

WHEREAS, to finance a portion of the Project costs, to fund necessary reserves and to pay certain issuance costs, the Borrower has requested the Authority to issue its Tax-Exempt Multifamily Housing Revenue Bonds (Peachtree Canyon Apartments Project) Series 2024, in an aggregate principal amount not to exceed \$20,000,000 (the "Series 2024 Bonds"); and

WHEREAS, following the posting of a notice of a public hearing on the Authority's website on March 21, 2024 (the "Notice"), the Authority conducted a public hearing on March 29, 2024 pursuant to and in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Code"), at which such hearing all interested parties were given an opportunity to express their views orally or in writing for or against the proposed issuance of the Series 2024 Bonds to finance the costs of the Project, all pursuant to a plan of financing; and

WHEREAS, the Authority has proposed to issue the Series 2024 Bonds pursuant to one or more trust indentures, loan agreements, financing agreements and/or funding agreements (each, a "Financing Agreement") in order to make a loan of the proceeds thereof to the Borrower to finance the costs of the Project; and

WHEREAS, the Series 2024 Bonds are expected to be purchased by Cedar Rapids Bank and Trust Company (including any affiliate thereof, the "**Purchaser**"), pursuant to a Financing Agreement or other purchase agreement; and

WHEREAS, pursuant to the Financing Agreements, the Borrower will be required to make loan payments sufficient to pay when due the principal, premium (if any), and interest on the Series 2024 Bonds and related fees, costs and expenses and thereby provide a revenue source with which to pay the Series 2024 Bonds, and the Series 2024 Bonds shall be a special limited obligation of the Authority payable solely from and secured by the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the Financing Agreements, as applicable; and

WHEREAS, in order to assure the Authority and the holders of the Series 2024 Bonds that interest thereon will be excludible from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and to satisfy the public purposes for which the Series 2024 Bonds is authorized to be issued under the Act, and to satisfy the purposes of the Authority in determining to issue the Series 2024 Bonds, certain limits on the occupancy of units at the Project and other requirements have been established pursuant to the terms of a Tax Regulatory Agreement (the "Regulatory Agreement"), by and among the Authority, the Purchaser and the Borrower and the Tax Certificate and Agreement (the "Tax Certificate") to be entered into between the Authority and the Borrower; and

WHEREAS, in furtherance of the purposes of the Authority, it has been deemed appropriate and necessary that the Authority authorize the issuance and sale of the Series 2024 Bonds and prescribe and establish conditions and other appropriate matters with respect to the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Words used in the foregoing recitals shall have the same meanings when used in the body of this Resolution.

Section 2. The Authority hereby finds, determines and declares that the issuance of the Series 2024 Bonds, the sale thereof to the Purchaser, and the loan of the proceeds thereof to the Borrower to finance the construction and equipping of the Project is in furtherance of the public

purposes set forth in the Act, is in compliance with the provisions of the Act, and therefore is in the public interest.

Section 3. The Chair, the Executive Director/Chief Executive Officer and Secretary, the Chief Housing Officer, the Chief Financial Officer or the Chief Lending Officer of the Authority (the "Authorized Officers") are each hereby authorized to execute, attest, seal and deliver on behalf of the Authority one or more Financing Agreements, Regulatory Agreements, Tax Certificates and such other relating agreements, documents and certificates (collectively, the "Authority Documents"), their execution thereof to constitute conclusive evidence of their and the Authority's approval of the terms thereof, subject to the parameters set forth in this Resolution.

Section 4. For the purpose of providing decent, safe and sanitary residential housing for low or moderate income persons within the State, all as authorized under the Act, the Authority shall issue the Series 2024 Bonds which shall be designated, unless otherwise provided by an officer of the Authority pursuant to <u>Section 9</u> hereof, New Mexico Mortgage Finance Authority Tax-Exempt Multifamily Housing Revenue Bonds (Peachtree Canyon Apartments Project) Series 2024 in an aggregate principal amount not to exceed \$20,000,000. The Series 2024 Bonds shall be issued only in fully registered form and shall have a maturity not to exceed forty (40) years after their date of issuance. The weighted average interest rate on the Series 2024 Bonds shall not exceed 10% per annum.

Section 5. The form, terms and provisions of the Series 2024 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, tender and number shall be as set forth in the Financing Agreements, as applicable. Each Authorized Officer is hereby authorized to execute, attest and seal by facsimile the Series 2024 Bonds and to deliver the Series 2024 Bonds to the bond registrar for authentication as may be required.

Section 6. The Series 2024 Bonds shall be sold to the Purchaser at a price not less than 100% of the principal amount thereof plus accrued interest, if any, in accordance with the provisions of a Financing Agreements or other purchase agreement. Each Authorized Officer is hereby authorized to execute and deliver such Financing Agreement or other purchase agreement for and on behalf of the Authority. Each Authorized Officer is hereby further authorized to specify and agree as to the interest rates and maturities of the Series 2024 Bonds for and on behalf of the Authority by the execution of the Financing Agreements, as applicable, provided such terms are within the parameters set by this Resolution.

Section 7. Each Authorized Officer is authorized to take all action necessary or reasonably required by the Authority Documents to carry out, give effect to and consummate the transactions as contemplated thereby.

Section 8. Upon issuance, the Series 2024 Bonds will constitute a special limited obligation of the Authority payable solely from and to the extent of the sources set forth in the Financing Agreements, as applicable. No provision of this Resolution, the Authority Documents or any other instrument shall be construed as creating a general obligation of the Authority, or as creating a general obligation of the State or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Authority.

Section 9. The appropriate officials of the Authority, including without limitation the Authorized Officers, are authorized to make any alterations, changes or additions in the Authority

Documents, the Series 2024 Bonds, or any other document herein authorized or that may be made pursuant to the Act which may be necessary or desirable. In addition, to the extent that the mortgage loans to be made to the Borrower with proceeds of the Series 2024 Bonds are unable to be closed prior to the expiration of the volume cap allocations for the Series 2024 Bonds, as determined by the appropriate officials of the Authority, including without limitation the Authorized Officers, such appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Authority Documents, the Series 2024 Bonds, or any other document herein as may be necessary or desirable to issue the Series 2024 Bonds, prior to expiration of the volume cap allocations and invest the proceeds thereof in permitted investments as provided under the Financing Agreements for a period of no more than a year until such Series 2024 Bonds can be refunded or remarketed and the proceeds thereof be used to make mortgage loans to the Borrower.

Section 10. The appropriate officials of the Authority, including without limitation the Authorized Officers, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 11. After any of the Series 2024 Bonds are delivered to the Purchaser, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2024 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Financing Agreements.

At the public hearing conducted by the Authority on March 29, 2024 Section 12. regarding the proposal of the Authority to issue the Series 2024 Bonds for the purpose of financing the costs of the Project, all interested parties who desired to do so were given the opportunity to express their views orally and in writing for or against the proposed Series 2024 Bonds and the Notice of the public hearing was published on the Authority's website Project. (https://housingnm.org/meetings-events-notices) on March 21, 2024 in compliance with the requirements of Section 147(f) of the Code. The Notice was published in an area of the Authority's website which is used to inform its residents about events affecting the residents and which is clearly identified and accessible to members of the general public seeking information concerning the plan of finance, the issuance of the Series 2024 Bonds and the Project. The Notice remained continuously published on the Authority's website for the entire period of at least 7 days prior to the hearing date described in the Notice. The Authority has considered all oral and written statements which were made or filed for or against the proposed Series 2024 Bonds and hereby determines that the proposed issuance by the Authority of the Series 2024 Bonds, for the purposes set forth in the Notice, is in the best interest of the Authority and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Code.

Section 13. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Resolution, the Series 2024 Bonds or any other document executed in connection therewith against any officer of the Authority or employee, as such, in his or her individual capacity, past, present or future, of the Authority, either directly or through the Authority, whether by virtue of any constitutional provision, statute or rule or law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution, the Series 2024 Bonds and all other documents referred to herein are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be

incurred by, any officer of the Authority, employee as such, past, present or future, of the Authority, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority, the Trustee, or the bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Note or any other documents referred to herein and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Note or any other documents referred. The immunity of officers of the Authority and employees of the Authority under the provisions contained in this <u>Section 13</u> shall survive the termination of this Resolution.

Section 14. Except as otherwise disclosed to the governing board of the Authority prior to the adoption of this Resolution, no member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority herein.

Section 15. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Resolution.

Section 16. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 17. All actions not inconsistent with the provisions of this Resolution heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, consultants, contractors or agents directed toward the issuance and sale of the Series 2024 Bonds are hereby approved and ratified.

Section 18. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS APRIL 17, 2024.

Chair

(SEAL)

ATTEST:

Executive Director/Chief Executive Officer and Secretary

EXHIBIT A

PROJECT

The Project is described below:

• a 144-unit multifamily housing apartment project to be located at North Jornada Road and Peachtree Hills Road in Las Cruces, New Mexico



NEW MEXICO MORTGAGE FINANCE AUTHORITY Contracted Services/Credit Committee Meeting Tuesday, April 9, 2024 @ 10:00 am MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-408-418-9388 (access code): 2485 316 1174

	AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1	2024 Draft Annual Action Plan – Sherry Stephens and Julie Halbig	10:00-10:10	2-0	YES
2	Biannual Compliance Activity Report – November 2023 – March 2024 – Julie Halbig	10:10-10:20	2-0 2-0	YES
3	Peachtree Canyon – HOME, NHTF, NMHTF Loan Requests – Justin Carmona	10:20-10:30	2-4	YES
4	Housing Innovation Award Recommendation- HagermanForward Inc. – Daniela Freamon & Sonja Unrau	10:30-10:40	2-0	YES
5	Housing Innovation Award Recommendation- SFPHA – Daniela Freamon & Sonja Unrau	10:40-10:50	2-0	YES
6	SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification – Robyn Powell & Stephanie Gonzales	10:50-11:00	2-0	YES
7	NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans- Troy Cucchiara	11:00-11:10	2-0	YES
8	Questions/comments from Committee	11:10-11:20		NO

Committee Members present:

Rebecca Wurzburger, Chair	□ present	□ absent	☐ conference call
Attorney General Raul Torrez/Designee Gideon Elliot	□ present	□ absent	Conference call
Patricia Sullivan	□ present	🛛 absent	□conference call

Howarda

2024 RENTAL AWARD SUMMARY

Project Name &	Peachtree Car			
Address		s Road & Jornada Road, Las Cruces, Doña Ana C		00(
Proposed	\$800,000	HOME	Rate	0%
Awards	\$1,500,000	National Housing Trust Fund (NHTF)	Rate	
Borrowers	GP LLC, as G Corporation (N	New Mexico Housing Trust Fund (NMHTF) nyon Limited Partnership (to be formed) will be ieneral Partner, owned 51% by New Mexico Hou Member) and 49% by Thomas Development Grou using Partners, Inc., as Limited Partner.	ising and Commu	nity Developmen
Management	The J. L. Gray Scot Fishburn affordable and Colorado. It ha and the mana	Company (JL Gray) was incorporated in New M are the owners and founders. The company d conventional residential communities in New M as two corporate offices in New Mexico. The devel gement office is in Farmington, NM. It currently r artment communities in the above referenced state	acquires, develop Mexico, Arizona, l lopment office is ir nanages over 100	s, and manages Jtah, Texas, and Las Cruces, NN
Developers	New Mexico I 501(c)(3) non Consequences Rice who is th in the develop throughout Ne Lordsburg, and	Housing and Community Development Corpor profit organization established in 2003 as a s Housing Authority (TCHA). NMHCDC is currentl e former Executive Director of TCHA. For over a poment of 10 affordable multifamily rental proper ew Mexico, with projects in Truth or Consequent d Espanola. Financing sources utilized for these pome, NMHTF, Risk Share, Primero, Ventana Function	ation (NMHCDC) development affil y led by President decade, NMHCDC ties, consisting of nces, Socorro, Ca projects include co	iate of Truth or and CEO Stever C has participated 414 apartments arlsbad, Deming proventional loans
	developer inco headquartered Development	elopment Group, LLC (Thomas Development prporated in 2010 and 2019 in New Mexico and in Sioux Falls, SD. Under the leadership of Found offers comprehensive development services for in South Dakota, New Mexico, and Texas.	d South Dakota, er and CEO Tom A	respectively, and Andrews, Thomas
	and \$127M in housing progra	nas Development has completed 23 projects tota development costs. The firm has a long track rec ams including HUD Section 8, HOME, FHA Ris Program, SDHDA Rural Site Development infrast	cord of successful k-Sharing, Portfol	ly utilizing federa io Reengineering
	of \$5.5M, a ne (\$28K). NMHC total assets of (loss) of (\$241 unrestricted ca	PA audited financials for FYE 06/30/2022 show unret worth of \$4.0M, a debt-to-worth ratio of 0.26 t CDC's CPA audited financials for FYE 06/30/2023 \$5.7M, a net worth of \$4.3M, a debt-to-worth ratio K). NMHCDC's internally prepared interim financials ash of \$92K, total assets of \$5.4M, a net worth of \$ net income (loss) of (\$7K).	o 1:00, and a net 3 show unrestricte o of 0.32 to 1.00, s sial statement date	income (loss) o d cash of \$1.1M and a net income d 2/29/24 shows
	2021 federal ta and a tentative gross income Financial and to liability ratio	ews is the sole proprietor of Thomas Developmen ax return shows the business had a gross income e profit of \$110K. Thomas Andrew's 2022 federal to of \$215K, total expenses of \$149K, and a tentative Credit Statement for Thomas Andrews prepared o of 4.48 to 1.00.	e of \$175K, total e: ax return shows th e profit of \$66K. T n 12/30/23 shows	xpenses of \$65K he business had a he HUD Persona a personal asse
Project Type & Size	(100% of the households ea	tion of 144 unit multifamily development to be lo project) will serve households with children. 138 rning 60% or less of Area Median Income (AMI) ar earning 30% or less of AMI.	3 units will be inc	ome restricted to
Project	Thomas Deve	lopment and NMHCDC are proposing the new co		
Description		ment project targeting households with children in ne-bedroom units at approximately 605 sq. ft., 54 t		

	856 sq. ft., and 18 three-bedroom units at approximately 1,050 sq. ft. The project's gross square footage will be about 143,342 sq. ft. comprised of six three-story walk-up style residential buildings and one community building. These structures are organized around green open space courtyards connected through the site by accessible walking paths to outdoor amenities. The Subject site is located on an undeveloped parcel of land in the Metro Verde South Planned Unit Development (PUD) in northeastern Las Cruces. Although currently surrounded by undeveloped desert land, the site will be within walking distance of new elementary and middle schools, and a future bus stop along Peachtree Hills Road will provide access to public transportation. Residents will also be able to walk and ride bikes throughout the master planned community.
	Peachtree Canyon's community building will feature an office, lounge, exercise room, office equipment, and a secure package drop-off area. Outdoor amenities will include a pool, playground areas for children of various ages, landscaped courtyards between buildings with picnic areas, benches, and seating for large outside gatherings along walking paths routes to encourage outdoor activities. The project will be built with energy design achieving a HERS rating lower than 55 by utilizing energy star rated appliances, LED light fixtures, energy efficient systems, and well designed and constructed building envelopes. Design features include a stucco finish, metal sunshades, and stone accents enhancing the New Mexican aesthetic.
	The Bowen National Research market study dated 12/08/22 generally defines the Subject's Primary Market Area as most incorporated portions of Las Cruces, all incorporated portions of San Ysidro and Doña Ana and some of the surrounding unincorporated areas of Doña Ana County. The market study advises that due to very high demand for quality affordable housing in the area the Subject is marketable as proposed. The Subject site is situated within the developing and primarily residential Metro Verde neighborhood of northeastern Las Cruces approximately 7.0 miles away from the city center. Surrounding land uses include single-family homes in fair to good condition and undeveloped arid/desert land. The Site neighborhood contains numerous new, planned, proposed, and under construction developments of single-family homes, including the adjacent and highly occupied Metro Park Village subdivision.
- Function and all 9	The market study indicates other affordable housing developments in the PMA are experiencing 100% occupancy with two of the three LIHTC comparables maintaining long waitlists. The project's unit mix, size, rents, and amenity package are appropriate for its location and market and will be competitive with existing properties in the market. The newness of the project relative to comparable properties also enhances its marketability. The market study demand analysis shows the subject site will reach a stabilized occupancy of 95.0% within 12 months of opening. This absorption period is based on an average absorption rate of approximately 11 to 12 units per month. The analysis also shows a Capture Rate of 4%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below.
Environmental & Site	A Phase I Environmental Site Assessment has not yet been completed for the subject property. As required by HOME and National Housing Trust Fund, the project must be determined to be in compliance with HUD Environmental Review 24 CFR part 58 before site control and/or execution of loan documents. As required by the National Housing Trust Fund, an Environmental Provision will need to be approved by MFA before construction is complete.
Site and Neighborhood Standards (HOME and NHTF New Construction only)	The subject property is located within the Metro Verde South Planned Unit Development (PUD) in the U5b (Urban Center) zone of the PUD. The PUD was approved on February 7, 2011, under Ordinance 2600. A multi-dwelling residential complex is permitted use on the subject property. The PUD will also support the project's proposed 228 surface parking lot spaces. The Site is undeveloped and vacant. Surrounding land uses include single-family homes in fair to good condition and undeveloped arid/desert land. The project will contribute to housing and economic goals contained in the Viva Dona Ana Comprehensive Plan 2040 and City of Las Cruces Comprehensive Plan. The project will be required to meet HUD's Site and Neighborhood Standards prior to the acquisition of the property.
Project Financials, Projections and Assumptions,	This project was underwritten utilizing MFA's standard 7% vacancy rate, which is considered conservative due to the low vacancy rates at nearby affordable housing properties. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$1,314,144. The developers estimate \$523,608 in total operating expenses less reserves and social services (i.e., \$3,636 per unit per year), which is below MFA's standard underwriting range of

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and Subsidy Layering Review	\$4,300 to \$5,800. It is worth noting that large multifamily properties such as Peachtree Canyon benefit from economies of scale with costs spread over more units. Additionally, the project will be receiving a property tax abatement from Doña Ana County resulting in a significant reduction in annual operating expenses.
	The project's Debt Service Coverage Ratio (DSCR) starts at 1.19 to 1.00 in year one, increasing to 1.44 to 1.00 in year 15. This ratio is within MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year two of operation through year 13. The year one DSCR is slightly below underwriting standards and years 14 and 15 are slightly over underwriting standards.
	The interest rate for Specialty Finance Group's first mortgage loan is assumed to be 6.45% (5.95% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from NMHCDC or Thomas Development.
	Currently, it appears that 42% (\$1,882,297) of the \$4,454,577 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the Subject would fully pay off the deferred developer fee by the end of year 11.
	Based on the investor's letter of interest, the project is currently underwritten using a credit price of 82 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$192K in deferred developer fee or cash flow loan from TDS.
	Subsidy Layering Review
	HOME- MFA's Housing Development Department's underwriting guidelines, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations.
	<u>National HTF</u> - MFA's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.
Affordability Requirements	HOME: Four HOME units consisting of: Two 1-bedroom apartment units, one 2-bedroom apartment unit, and one 3-bedroom apartment unit for households at or below 60% AMI and restricted to High HOME rents for which a Land Use Restriction Agreement (LURA) will be filed in Doña Ana County. The affordability period is 40 years: 20 years as required by HOME rules standards and 20 years for MFA's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.
	NHTF: Six NHTF units consisting of: Two 1-bedroom apartment units, two 2-bedroom apartment units, and two 3-bedroom apartments units restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Doña Ana County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later.
	NMHTF: One-hundred-forty-four (144) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Doña Ana County. The NMHTF affordability period is 40 years; 20 as required by Affordable Housing Act Rules and 20 for MFA's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.
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Repayment and Disbursement	HOME: Payments: No payments during the construction period, which is not to exceed 24 months; thereafter, 479 equal principal payments during the permanent loan period, based on an 80-year amortization, with all outstanding principal due with the final payment at the maturity date. Outstanding principal due at the earlier of maturity, refinance, or sale of the project. Disbursement: Allow up to three draws: two during the construction period and the third upon submission of a final project completion report to HUD.	
	NHTF: Payments:Payments:No payments during the construction period, which is not to exceed 24 months; thereafter, annual payments, 1) as determined from available cash flow or 2) a fixed principal payment of \$500, maturing in 35 years.Disbursement:Allow up to three draws: two during the construction period and the third upon submission of a final NHTF project completion report to HUD.	
	<u>NMHTF:</u> <u>Payments</u> : Interest only monthly during the construction period not to exceed 24 months; 480 equal principal & interest payments during the permanent loan period. Outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project. <u>Disbursement</u> : Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.	
	 All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; Any changes or additions to the following development team members listed in the loan application must be approved by MFA: developer, contractor, management company, consultant, or architect; 	
Conditions	 Financing commitments acceptable to MFA prior to funding on all funding sources; Acceptance of 2024 award of Low-Income Housing Tax Credits (LIHTC); Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor, or primary construction lender) and shared with MFA. Cost to be paid by applicant; Other conditions as may be determined by staff; and Subject to availability of funds. 	
	 Additional Conditions: HOME Loan 8. Loan to be in second lien position; 9. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met; 10. If other than minimal funds used during construction (i.e. \$50,000 or less), New Mexico Housing and Community Development Corporation (NMHCDC) and Thomas Andrews, sole proprietor of Thomas Development Group, LLC (Thomas Development), must provide a guarantee during the construction period; 11. If HOME CHDO (Community Housing Development Organization) funds are to be used, New Mexico Housing and Community Development Corporation (NMHCDC) must be approved by MFA as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules. 	
	 Additional Conditions: NHTF Loan 12. Loan to be in third lien position; and 13. HUD Environmental Provision (EP) approval must occur prior to construction completion; and 14. Project building plans must meet NHTF Rehabilitation Standards prior to acquisition and construction start; and 15. If other than minimal funds used during construction (i.e. \$50,000 or less), New Mexico Housing and Community Development Corporation (NMHCDC) and Thomas Andrews, sole proprietor of Thomas Development Group, LLC (Thomas Development), must provide a guarantee during the construction period; 	
	Additional Conditions: NMHTF 16. Loan to be in fifth lien position; and	
	 New Mexico Housing and Community Development Corporation (I Andrews, sole proprietor of Thomas Development Group, LLC (Thon provide a guarantee during the construction period. 	
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MFA Commitments	NMHCDC:	
to Other Projects	2004 LIHTC (4%) – Sunny Acres – \$118,602 2004 Risk Share – Sunny Acres – \$0 2004 LIHTC (4%) – Sandia Vista – \$172,583 2004 Risk Share – Sandia Vista – \$0 2004 LIHTC (4%) – Deming Manor - \$43,820 2004 Risk Share – Deming Manor - \$476,822 2004 Risk Share – Deming Manor - \$476,822 2004 LIHTC (4%) – King Arthur's Court - \$298,271 2004 LIHTC (4%) – Tradewinds - \$34,422 2004 Risk Share – Tradewinds - \$429,410 2005 HOME – Vista Montano - \$130,571 2005 HOME – Vista Montano - \$130,571 2005 HOME – Casa del Rio I & II - \$476,665 2007 HOME – Villa San Jose - \$0 2007 HOME – Villa San Jose - \$0 2017 LIHTC – Villa San Jose - \$572,358 2017 HOME – Villa San Jose - \$468,696 2017 Primero – Villa San Jose - \$572,358 2019 Primero – Villa San Jose - \$572,358 2019 LIHTC – Villa del Norte - \$572,401 2019 HOME – Villa del Norte - \$369,135 2019 NHTF – Villa del Norte - \$486,686 2019 Primero – Villa del Norte - \$0	
	 ⁽²⁾ Bonds are non-recourse to MFA ⁽³⁾ Loan Balances as of 3/1/2024 	
MFA Exposure	\$7,260,206 (excludes LIHTC, grants and loans pending approval)	
Risk Factors	 Market – Low (Strong demand for proposed property in PMA) Construction – Medium (construction material pricing remain developer is experienced plus the investor and main construction additional oversight and controls) Developer – Low Guarantor – Medium General Partner/Managing Member – Low (i.e. the developer) Community Opposition – Low 	on lender will provide
	 Financing – Medium (as long as market conditions for interest do not fluctuate too much, the project is feasible. However, in market conditions the project would not move forward. Final un before loan closing to ensure viability before final commitment) 	the event of adverse
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended	for approval.
Prepared by	Justin Carmona, Development Loan Manager	Date 4/01/2024
Reviewed by	George Maestas, Director of Housing Development	Date 4/01/2024

	PR	OJECT INFORMATION SUMMA	RY			
Project Nar	ne	City	NC, AR,	Total #		
-			or	Units	Unit Sizes	Target AMIs
Peachtree Ca	-	Las Cruces	NC/AR			
Total Development Cost			NC	144	1-BED, 2-BED, &	30% AMI, 60% AMI
Borrowers	Peachtree Canyon Limit	ed Partnership (to be formed			3-BED	
Management	The J.L. Gray Company		YEAR BU	ILT (AR)	LIHTC ALLOC	4% or 9%
		ity Development Corp. &		. ,	\$ 1,586,059	4%
	Thomas Development G	· · ·			. , ,	
· ·		•	NC =	New Cons	truction	
			AR =	Acquisitio	n/Rehab	
			AMI =	Area Medi	an Income	
			MR =	Market Ra	te apartments	
	ME LOAN INFORMATION		NU	MBER O	HOME UNITS	4
Funds Available as of:	02/29/24	\$6,829,558				
	MFA Guidelines	Loan Request			TIONS/CONDITIONS	
Maximum Loan Amount	\$1,000,000	\$800,000	мах НОМ	ie loan ar	mount for 4% LIHTC v	w no CHDO
Rates Loan Fees	0.0% to 3.0% N/A	0.0% N/A				
Loan Fees Maximum Loan Term	N/A 2 yr construct, 40 yr	IN/A				
	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	20 to 80 years	80 years				
Lien Position	Subordinate allowed	2nd lien				
Affordability Requirements	Min 20 yrs, max 60%					
	AMI	40 yrs, 4 units @ 60% AMI				
DSCR	1.20 to 1.40 : 1 on all	1.19 : 1.00 increasing to 1.44	DSCR is 1.19 : 1.00 in year 1, trends up to between 1.			
	must-pay debt	1.19 . 1.00 increasing to 1.44 : 1.00 by year 15	1.44 1.00 to 1.40 : 1.00 in years 2-13, increase to slighly a			se to slighly above
	must puy debt	. 1.00 by year 10	1.40:1.0	0 in years	s 14 & 15	
Scoring Criteria		N/A				
NATIONAL TRUS	ST FUND (NHTF) LOAN IN	FORMATION	NU	MBER OF	F NHTF UNITS:	6
						U
Funds Available as of:	02/29/24	\$1,533,368				
	02/29/24 MFA Guidelines	\$1,533,368 Loan Request		EXCEP	TIONS/CONDITIONS	
Maximum Loan Amount	02/29/24 MFA Guidelines \$1,500,000	\$1,533,368 Loan Request \$1,500,000		EXCEP		
Maximum Loan Amount Rates	02/29/24 MFA Guidelines \$1,500,000 0.0%	\$1,533,368 Loan Request \$1,500,000 0.0%		EXCEP	TIONS/CONDITIONS	
Maximum Loan Amount	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A	\$1,533,368 Loan Request \$1,500,000 0.0% N/A		EXCEP	TIONS/CONDITIONS	
Maximum Loan Amount Rates Loan Fees	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A	\$1,533,368 Loan Request \$1,500,000 0.0%		EXCEP	TIONS/CONDITIONS	
Maximum Loan Amount Rates Loan Fees	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm	Max NHTI	EXCEP Floan am	TIONS/CONDITIONS	/NOTES
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow	Max NHTI	EXCEP Floan am	FIONS/CONDITIONS	/NOTES
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm	Max NHTI	EXCEP Floan am	FIONS/CONDITIONS	/NOTES
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30%	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow	Max NHTI	EXCEP Floan am	FIONS/CONDITIONS	/NOTES
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI	Max NHTI Cash flow	EXCEP Floan am	fions/conditions	/NOTES
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44	Max NHTI Cash flow	EXCEP F loan am	FIONS/CONDITIONS	/NOTES /NOTES tors preference
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI	Max NHTI Cash flow DSCR is 1 1.00 to 1.	EXCEPT F loan am or \$500	FIONS/CONDITIONS	/NOTES /NOTES tors preference
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44	Max NHTI Cash flow	EXCEPT F loan am or \$500	FIONS/CONDITIONS	/NOTES /NOTES tors preference
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.0	EXCEP Floan am floan am c or \$500	FIONS/CONDITIONS	/NOTES /NOTES tors preference
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points TRUST FUND (NMHTF) I 04/01/24	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86 OAN INFORMATION \$3,000,000	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.0	EXCEP F loan am F loan am o or \$500	FIONS/CONDITIONS	Ito between 1.20 : se to slighly above
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING Funds Available as of:	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points TRUST FUND (NMHTF) I 04/01/24 MFA Guidelines	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86 OAN INFORMATION \$3,000,000 Loan Request	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.00	EXCEP F loan am F loan am or \$500 or \$500 19 : 1.00 40 : 1.00 0 in years 4BER OF EXCEP	FIONS/CONDITIONS	Ito between 1.20 : se to slighly above
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR DSCR Scoring Criteria NEW MEXICO HOUSING Funds Available as of: Maximum Loan Amount	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points TRUST FUND (NMHTF) I 04/01/24 MFA Guidelines \$3,000,000	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86 OAN INFORMATION \$3,000,000 Loan Request \$3,000,000	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.00 NUN Max NMH	EXCEP Floan am Floan am (or \$500 19 : 1.00 0 in years 40 : 1.00 0 in years 40 EXCEP TFloan a	FIONS/CONDITIONS nount with 4% LIHTC fixed based on invest fixed based on invest o in year 1, trends up in years 2-13, increas 14 & 15 NMHTF UNITS: FIONS/CONDITIONS amount	Ito between 1.20 : se to slighly above
Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR DSCR Scoring Criteria NEW MEXICO HOUSING Funds Available as of: Maximum Loan Amount Rates	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points TRUST FUND (NMHTF) I 04/01/24 MFA Guidelines \$3,000,000 0.0% to 5.0%	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86 OAN INFORMATION \$3,000,000 Loan Request \$3,000,000 2.0%	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.00	EXCEP Floan am Floan am (or \$500 19 : 1.00 0 in years 40 : 1.00 0 in years 40 EXCEP TFloan a	FIONS/CONDITIONS nount with 4% LIHTC fixed based on invest fixed based on invest o in year 1, trends up in years 2-13, increas 14 & 15 NMHTF UNITS: FIONS/CONDITIONS amount	Ito between 1.20 : se to slighly above
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Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR DSCR Scoring Criteria NEW MEXICO HOUSING Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term	02/29/24 MFA Guidelines \$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points TRUST FUND (NMHTF) I 04/01/24 MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed	\$1,533,368 Loan Request \$1,500,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien 35 yrs, 6 units @ 30% AMI 1.19 : 1.00 increasing to 1.44 : 1.00 by year 15 86 OAN INFORMATION \$3,000,000 Loan Request \$3,000,000 2 yr construct, 40 yr perm Mthly during perm	Max NHTI Cash flow DSCR is 1 1.00 to 1. 1.40 : 1.00 NUN Max NMH	EXCEP1 F loan am r or \$500 19 : 1.00 40 : 1.00 0 in years 4BER OF EXCEP1	FIONS/CONDITIONS nount with 4% LIHTC fixed based on invest fixed based on invest o in year 1, trends up in years 2-13, increas 14 & 15 NMHTF UNITS: FIONS/CONDITIONS amount	Ito between 1.20 : se to slighly above

DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.19 : 1.00 increasing to 1.44 : 1.00 by year 15	DSCR is 1.19 : 1.00 in year 1, trends up to between 1.20 : 1.00 to 1.40 : 1.00 in years 2-13, increase to slighly above 1.40 : 1.00 in years 14 & 15
Scoring Criteria	57-112 points	66	

TOTAL DEVELOPMENT COST INFORMATION SUMMARY						
Project: Peachtree Canyon		Total	% TDC Co		Cost/GSF*	
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	957,597	2.4%	\$	6.68	
Construction Hard Costs	\$	23,039,910	58.5%	\$	160.73	
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	6,624,726	16.8%	\$	46.22	
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	753,030	1.9%	\$	5.25	
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	2,336,460	5.9%	\$	16.30	
Permanent Financing Costs (fees, title/recording, etc)	\$	339,690	0.9%	\$	2.37	
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	185,742	0.5%	\$	1.30	
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	75,000	0.2%	\$	0.52	
Reserves (rent-up, operating, replacement, escrows, etc)	\$	645,047	1.6%	\$	4.50	
Developer Fees (inc consultant fees)	\$	4,454,577	11.3%	\$	31.08	
Total Development Costs (TDC	;)\$	39,411,779	100 %	\$	274.95	
TDC w/o Land, Reserves & Commercia	l \$	37,809,135	96 %	\$	263.77	

	CONSTRUCTION SOURCES			CONSTRUCTION SOURCES							
Project:	Peachtree Canyon	Total	% of Total		Per Unit						
Construct. Lender	Speciality Finance Group (CRBT)/PAB	\$ 11,975,409	30.4%	\$	83,162.56						
2nd Lien Holder	MFA/HOME	\$ 720,000	1.8%	\$	5,000.00						
3rd Lien Holder	MFA/NHTF	\$ 1,350,000	3.4%	\$	9,375.00						
4th Lien Holder	City of Las Cruces/Telshor Fund	\$ 4,000,000	10.1%	\$	27,777.78						
5th Lien Holder	MFA/NMHTF	\$ 3,000,000	7.6%	\$	20,833.33						
6th Lien Holder	MFA/CSLFRF	\$ 1,250,000	3.2%	\$	8,680.56						
Grant	Dona Ana County/ARPA Grant	\$ 1,500,000	3.8%	\$	10,416.67						
Grant	City of Las Cruces/ARPA Grant	\$ 2,000,000	5.1%	\$	13,888.89						
Deferred Developer Fee	Thomas Development Group, LLC	\$ 1,200,776	3.0%	\$	8,338.72						
Other Equity	AHP/45L Credit	\$ 448,152	1.1%	\$	3,112.17						
LIHTC Equity	AHP/LIHTC Equity	\$ 11,967,442	30.4%	\$	83,107.24						
	Total Construction Sources	\$ 39,411,779	100.0%	\$	273,692.91						

	PERMANENT SOURCES			
Project:	Peachtree Canyon	Total	% of Total	Per Unit
Permanent Lender - 1st Lien	Speciality Finance Group (CRBT)/PAB	\$ 8,024,951	20.4%	\$ 55,728.83
2nd Lien Holder	MFA/HOME	\$ 800,000	2.0%	\$ 5,555.56
3rd Lien Holder	MFA/NHTF	\$ 1,500,000	3.8%	\$ 10,416.67
4th Lien Holder	City of Las Cruces/Telshor Fund	\$ 4,000,000	10.1%	\$ 27,777.78
5th Lien Holder	MFA/NMHTF	\$ 2,000,000	5.1%	\$ 13,888.89
6th Lien Holder	MFA/CSLFRF	\$ 1,250,000	3.2%	\$ 8,680.56
Grant	Dona Ana County/ARPA Grant	\$ 1,500,000	3.8%	\$ 10,416.67
Grant	City of Las Cruces/ARPA Grant	\$ 2,000,000	5.1%	\$ 13,888.89
Deferred Developer Fee	Thomas Development Group, LLC	\$ 1,882,297	4.8%	\$ 13,071.51
Other Equity	AHP/45L Credit	\$ 593,941	1.5%	\$ 4,124.59
LIHTC Equity	AHP/LIHTC Equity	\$ 15,860,590	40.2%	\$ 110,142.99
	Total Permanent Sources	\$ 39,411,779	100.0%	\$ 273,692.91

Development Cost Budget									
Peachtree Canyon	Gross Sq. Footage:		143,342						
Las Cruces		TOTAL COST		COST/GSF					
ACQUISITION COSTS				_					
Land Acquisition	\$	957,597	\$	6.68					
Building Acquisition			\$	-					
Other:			\$	-					
SUBTOTAL	Ś	957,597	\$	6.68					
CONSTRUCTION HARD COSTS	<u> </u>	· ·	. ·						
Demolition	\$	-	\$	-					
Accessory Structures	\$	-	\$	-					
Site Construction	\$	3,987,659	, \$	27.82					
Buildings and Structures	\$	18,797,818	\$	131.14					
Off-Site Improvements	\$		\$	-					
Other:	\$	254,433	\$	1.78					
SUBTOTAL		23,039,910	\$	160.73					
OTHER CONSTRUCTION COSTS	ļ Ý		Y	100.70					
Contractor Overhead	\$	460,798	\$	3.21					
Contractor Profit	\$	1,382,395	\$	9.64					
General Requirements	\$	1,382,395	\$	9.64					
Construction Contingency	\$	1,151,996	, \$	8.04					
Gross Receipts Tax (GRT)	\$	2,097,142	\$	14.63					
Landscaping	\$		\$	-					
Furniture, Fixtures, & Equipment	\$	150,000	\$	1.05					
Other:	, \$	-	\$	-					
SUBTOTAL		6,624,726	\$	46.22					
PROFESSIONAL SERVICES/FEES		-,- , -							
Architect (Design)	\$	542,024	\$	3.78					
Architect (Supervision)	\$	135,506	\$	0.95					
Attorney (Real Estate)	\$	45,000	\$	0.31					
Engineer/Survey	\$	25,000	\$	0.17					
Other: Geotech/Topo	\$	5,500	\$	0.04					
SUBTOTAL		753,030	\$	5.25					
CONSTRUCTION FINANCING COSTS	I .	· · · · · · · · · · · · · · · · · · ·	<u> </u>						
Hazard Insurance	\$	-	\$	-					
Liability Insurance	\$	45,500	\$	0.32					
Performance Bond	\$	303,000	\$	2.11					
Interest	\$	1,626,960	\$	11.35					
Origination\Discount Points	\$	106,000	\$	0.74					
Credit Enhancement	\$	-	\$	-					
Inspection Fees	\$	35,000	\$	0.24					
Title and Recording	\$	135,000	\$	0.94					
Legal	\$	85,000	\$	0.59					
Taxes	\$	-	\$	-					
Other:	\$		\$	-					
SUBTOTAL	\$	2,336,460	\$	16.30					

Project: Peachtree Canyon				
PERMANENT FINANCING COSTS				
Bond Premium	\$	-	\$	-
Credit Report	\$	-	\$	-
Origination\Discount Points	\$	10,000	\$	0.07
Credit Enhancement	\$	-	\$	-
Title and Recording	\$	-	\$	-
Legal	\$	50,000	\$	0.35
Cost of Bond Issuance	\$	-	\$	-
Pre-Paid MIP	\$	-	\$	-
Reserves and Escrows	\$	-	\$	-
Other: Dev. & MFA Bond Counsel & Fees	\$	279,690	\$	1.95
SUBTOTAL	\$	339,690	\$	2.37
SOFT COSTS				
Market Study	\$	8,500	\$	0.06
Environmental	\$	3,500	\$	0.02
Tax Credit Fees	\$	140,242	\$	0.98
Appraisal	\$	8,500	\$	0.06
Hard Relocation Costs	\$	-	\$	-
Accounting/Cost Certification	\$	25,000	\$	0.17
Other:	\$	-	\$	-
SUBTOTAL	\$	185,742	\$	1.30
SYNDICATION				
Organization	\$	75,000	\$	0.52
Bridge Loan	\$	-	\$	-
Tax Opinion	\$	-	\$	-
Other:	\$	-	\$	-
SUBTOTAL	\$	75,000	\$	0.52
TDC before Dev. Fees & Reserves	\$	34,312,155	\$	239
RESERVES				
Rent Up	\$	50,000	\$	0.35
Operating	\$	595,047	\$	4.15
Replacement (inc. only if capitalized)	\$	-	\$	-
Escrows/Working Capital	\$	-	\$	-
Other:	\$	-	\$	-
SUBTOTAL	\$	645,047	\$	4.50
DEVELOPER FEES		·		
Developer Fee	\$	4,454,577	\$	31.08
Consultant Fee	\$	-	\$	-
SUBTOTAL		4,454,577	\$	31.08
Total Development Cost (TDC)	\$	39,411,779	\$	274.95
TDC w/o Land, Reserves & Commercial	\$	37,809,135	\$	263.77
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MEMO

TO:	MFA Board of Directors
	Through: Contracted Services, April 9, 2024
	Through: Policy Committee, April 1, 2024
FROM:	Julie Halbig, Director of Compliance and Initiatives
DATE:	April 17, 2024
RE:	Biannual Compliance Activity Report for November 2023 – March 2024

The compliance officer is responsible for communicating with the Board of Directors regarding compliance matters. The compliance activities report is intended to provide information to the Board regarding compliance management activities and the results of related oversight of MFA's single-family mortgage lending and servicing departments, including subservicing oversight. During this reporting period, no significant compliance concerns were identified.

Background:

The compliance officer is responsible for maintaining a comprehensive compliance program to address legal, regulatory, and internal requirements for MFA's single family mortgage lending and servicing functions, ensure MFA is meeting regulatory compliance requirements related to mortgage operations, and maintain oversight of MFA's contracted subservicer performance.

Discussion:

The following is a summary of compliance activities related to vendor management, subservicing oversight, loan quality control, and tracking of regulatory compliance and consumer complaints from November 2023 through March 2024.

Vendor Management

Vendor management and oversight is an ongoing function within the compliance management system and is conducted according to the underlying vendor management policy. Staff identifies vendors who provide services to MFA which are subject to regulation and oversight by the Consumer Financial Protection Bureau (CFPB), or any entity contracted to provide services that would cause MFA to face risk if the vendor or service provider fails to meet contractual obligations, regulatory requirements, or engages in activities that could adversely impact MFA consumers. Vendors are evaluated for inherent risk, compliance systems and controls, and business performance. This evaluation is completed by the compliance manager, in cooperation with appropriate department directors. All vendors are now on a schedule based on their risk assessment. The most recent vendor reviews did not identify any vendors with critical weaknesses which present a significant risk of violating the law and causing consumer harm.

Risk ratings are assigned to vendors based on the below criteria and the Vendor Management Policy dictates the level and frequency of vendor reviews. Risk Ratings:

- High full operational reliance, access to MFA consumer NPPI (non-public personal information), access to MFA consumers, access to MFA systems.
- Medium limited operational reliance, limited access to MFA consumer NPPI, no access to MFA consumers, no access to MFA systems.
- Low no operational reliance, no access to MFA consumer NPPI, no access to MFA consumers, no access to MFA systems.

Vendor Review:

The majority of the vendors reviewed during this reporting timeframe are involved in protecting MFA's network and internet security. MFA utilizes the vendor's software or hardware but these vendors do not have access to MFA's data. MFA's data is stored on the vendors' systems but it's encrypted for MFA and only MFA.

Compliance requests and reviews several types of documents from Vendors:

- Audit reports (internal audit, external audit, System and Organization Controls (SOC) type review, security reviews) of other examination reports evidencing internal controls;
- Audited Financial Statements;
- List of third-party vendors and the corresponding oversight policy;
- Evidence of sufficient insurance coverage;
- Policies and procedures related to internal controls and information security;
- Disaster recovery and business continuity plan;
- Information Security Policy;
- Current organizational chart.

Vendor Name	Function	Risk Rating
ADP	Human Resources	High
	Software	
Artic Wolf	Internet Security	High

Cisco	Umbrella, Multifactor	High
	Authentication, VPN)	
Dark Trace	Network Security	High
	Management	
Oso Grande Data Center	Data Center for New	Medium
	Building	
Druva	Cloud Storage Platform	High
HPE	Cloud Storage Platform	High
Mimecast	Email Security	Medium
Quadient d/b/a/	Accounts Payable	High
Beanworks	Software	

Subservicing Oversight

Staff continues to monitor service level performance to ensure our contracted subservicer provider, Idaho Housing and Finance Association (IHFA), maintains regulatory compliance, that staffing levels support MFA needs and that controls over data integrity are in place.

IHFA provides several monthly loan portfolio reports, including servicing quality control, advances and reimbursements, loss mitigation and foreclosure activity reports. All reports are reviewed, reconciled, and analyzed for any negative trends or ongoing issues. Monthly calls are held with IHFA to discuss operational processes, reconcile reporting, and provide current updates.

The monthly agenda includes a review of several key metrics including foreclosure and delinquency trends. MFA continues to see delinquency rates decline in the subserviced portfolio, which reached the highest total delinquency in February 2021 of 18.70%. Rates continue to remain stable and, in some instances, decline. The March 2024 delinquency rate is 10.70% and the seriously delinquent rate is 3.36%. See Chart 1 – Subserviced Portfolio Delinquency Trends on the second to last page of the report.

For the 2023 loan file review, MFA asked Moss Adams to review payment defaults, delinquent loans, loss mitigation and foreclosures processes. There was only one issue where the need for a process improvement is warranted and that is in the area of timely inspections. IHFA started using LateStageInspection.xlsx around May/June 2023. There is a designated individual who reviews this report at least weekly, if not more. However, IHFA is currently on round 3 of testing to automate the inspection process for all stages of the loan file. The expectation for this new system is to automate all tasks related to inspection ordering and will likely eliminate these sorts of findings in the future. IHFA is in the final testing phases of this new system and it remains a standing topic for the monthly meeting. For the 2024 loan file review, MFA will again have Moss Adams test a random sample of files for timely inspections.

In March, the Servicing Department provided the Board with an update on delinquency. Based on the 2023 Foreclosure report, close to half of the borrowers were unable to be contacted by IHFA even though IHFA utilizes numerous strategies to make that direct contact. The remaining borrowers had a major life event that rendered them unable to make the monthly payment. There were 39 FHA loans in which IHFA handled the foreclosure in New Mexico (not all owned by MFA). Of these 39 loans, 28 properties have been conveyed to HUD and HUD will sell or sold the properties. Eleven of the 39 loans were third party sales of which eight were sold to investors, one to a living trust (probably the borrower purchased the property back – redeemed) and two of the eleven were sold to individuals.

Loan Quality Control

Loan quality control reports and portfolio management reports received from IHFA alert MFA staff to loan level issues with MFA's approved lenders. These reports provide insight regarding trends and the performance of specific lenders and loan officers. MFA staff takes a proactive approach in communicating with our partner lenders to mitigate the risk of material findings or repurchases. Why this is critical is that any loans that have unresolved serious defects cannot be pooled and securitized by MFA. In those instances, MFA would ask the lender to buy back the loan.

Every month, MFA's quality control vendor, IHFA, selects and reviews post-funded loans based on a random sampling of 10% of loans purchased during the previous month. MFA staff then completes a 10% oversight review of the vendor's selected sample of Fannie Mae loans. The sample includes a cross-section of the approved lenders as well as MFA's overall book of business being sold or securitized by Fannie Mae.

The post-purchase review examines includes, but is not limited, to the following:

- Original loan application;
- Underwriting process;
- Employment and Income data;
- Tax Returns;
- Assets;
- Credit history;
- Compliance documents initialed by borrower as having received; and
- Closing documentation

Issues related to the loan file are classified as minor, moderate or serious defects. The below table represents the MFA loan origination defect trend data of cases with serious exceptions (defects). The Gross Defect Rate include all preliminary serious exceptions and the Net Defect Rate represents only unresolved, serious exceptions. According to MFA's Quality Control plan, the Net Defect Rate should be 4% or less for serious and moderate findings in a reporting month. As you can see, MFA's Net Defect rate remains under the 4.0% Target Rate. Staff did not identify any issues in the loan quality reviews.

New Mexico Mortgage Finance Authority

Defect Tre	nd Report	Target Defect MATERIAL - All Defects Rate 4.0%			
Audit Month	Loans Reviewed	Gross Defect	Gross Defect Rate	Net Defect	Net Defect Rate
May 2023	4	0	0.0%	0	0.0%
Jun 2023	4	2	50.0%	0	0.0%
Jul 2023	5	2	40.0%	0	0.0%
Aug 2023	7	4	57.1%	0	0.0%
Sep 2023	4	0	0.0%	0	0.0%
Oct 2023	5	0	0.0%	0	0.0%
Nov 2023	7	0	0.0%	0	0.0%
Dec 2023	8	1	12.5%	0	0.0%
TOTAL	44	9	20.5%	0	0.0%

MFA Defect Trend Report – December 2023 - Random QC



New Mexico Mortgage Finance Authority 344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org * Material Target Net Defect Rate for Random QA: 4.0% Percentage reflects the number of loans identified with Material QA defects minus the number of resolved loans prior to the final QA report, divided by the number of loans in the QA sample size. IHFA's goal is 4.0% net material defects within a QA month.

Regulatory and Legal Compliance

Tracking regulatory information related to federal consumer financial law and implementation of new processes resulting from changing requirements is completed by the compliance officer and mortgage operations staff and management.

During this reporting period, several significant regulatory announcements were updated with respect to revised effective dates.

Staff is awaiting further guidance from the Office of Management and Budget (OMB) and/or HUD on how to monitor compliance with the Build America, Buy America (BABA) initiative. BABA was enacted as part of the Infrastructure Investment and Job Act back in 2021. The Act established a domestic content procurement preference for all federal financial assistance obligated for infrastructure projects which includes affordable housing construction. For example, BABA is applicable to HOME and National Housing Trust Funds used for affordable housing development and compliance is slated to begin August 23, 2024, for those funds. Under the Act, developers will have to certify and document that all iron, steel, manufactured products and construction materials are purchased in accordance with the domestic content procurement preference under BABA. The National Council of State Housing Agencies (NCSHA) has already sent one letter to OMB asking for a public interest waiver on behalf of state housing agencies. A public interest waiver was not granted. HUD is still consulting with Tribal entities about these requirements. NCSHA has been asked to prepare another letter to HUD (deadline for feedback is due by April 15, 2024) demonstrating the potential cost impact that BABA could have on affordable housing projects including any delays to development.

Back in 2023, staff had shared information about a HUD Final Rule implementing provisions of the Housing Opportunity Through Modernization Act (HOTMA). The primary implications of the rule relate to the calculation of income and asset limitations for residents of certain HUD-assisted housing units including those supported by Section 202 Supportive Housing for the Elderly, Section 811 Housing for Persons with Disabilities, Housing for Persons with AIDS, HOME Investment Partnership, Housing Trust Fund, public housing, and Section 8 programs. Of particular relevance to MFA is that the final rule allows the use of income determinations made under other federal benefit programs for income reexaminations; codifies new income and asset exclusions; requires adult household members to sign a consent form only once instead of annually; allows self-certification of assets up to \$50,000; and permits annual adjustments for inflation of deductions and asset limitations. The rule was initially slated to become effective January 1, 2024, for most provisions. However, HUD has announced that it is delaying compliance with certain provisions until January 1, 2025. The Asset

Management Department will continue to take part in trainings and follow all guidance in preparation for the 2025 effective date.

Staff had also shared information previously about HUD's long anticipated Proposed Rule regarding Affirmatively Further Fair Housing (AFFH). Through this rule, HUD proposes to implement the obligation to affirmatively further the purposes and policies of the Fair Housing Act, which is Title VIII of the Civil Rights Act of 1968, with respect to certain recipients of HUD funds. The Fair Housing Act not only prohibits discrimination but also directs HUD to ensure that the agency and it program participants will proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in housing-related opportunities and foster inclusive communities that are free from discrimination. States will be required to establish goals in an Equity Plan. The Equity Plan will become part of the Consolidated Annual Performance and Evaluation Report (CAPER). Stakeholders have been tracking this Proposed Rule for close to a year and a half. The Final Rule has yet to be issued and it is unclear when it will be released. MFA is following the guidance of our Consolidated Plan consultant, Civitas, as it relates to the Equity Plan so that MFA will be in compliance regardless of the timing of any Final Rule becoming effective.

Training

All of MFA staff participated in yearly fraud training back in November 2023. The Mortgage Ops and Servicing staff participated in a more tailored fraud training in February 2024.

Consumer complaints

Tracking, investigating, and responding to consumer complaints is a function of the Compliance Management System. As the Compliance Director, I route any consumer complaints to the appropriate department for follow-up and make sure that the complaint is resolved. Often times, a complaint is received but is not under MFA's jurisdiction. All efforts are made to direct the consumer to the correct organization and/or resources. No consumer complaints were unresolved during the current reporting cycle.

Summary:

The activities described in this report are intended to provide the Board of Directors with assurance that MFA is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by MFA and mitigating related risk.

Compliance activities will be reported to the Board through the Contracted Services/Credit Committee no less than twice per year, and as needed to fulfill the compliance department's responsibility to inform the Board of any critical compliance issues. There were no significant compliance concerns identified during this reporting period.

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то:	Board of Directors
FROM:	Sherry Stephens and Julie Halbig, Compliance and Initiatives
DATE:	April 17, 2024
SUBJECT:	Approval of Draft 2024 Action Plan

Recommendation:

Staff recommends approval of the draft 2024 Annual Action Plan.

Background:

The U.S. Department of Housing and Urban Development (HUD) requires all participating and entitlement jurisdictions, including New Mexico Mortgage Finance Authority (MFA) and the state of New Mexico, to produce five-year Consolidated Plans, one-year Annual Action Plans and annual Consolidated Annual Performance and Evaluation Reports (CAPER) as requisites to receiving formula grants. These grants include Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and Housing Trust Funds (HTF). MFA administers HOME, ESG, HOPWA and HTF, while the New Mexico Department of Finance and Administration, Local Government Division (DFA) administers CDBG.

The Consolidated Plan analyzes the housing and community development needs of New Mexico citizens and sets out strategies to address priority needs. The Annual Action Plan proposes goals for addressing those identified needs and details funding amounts for the coming year. The CAPER reports on the progress towards meeting those goals and strategies, along with the amounts of actual program expenditures.

MFA's 30 day public comment period began on March 18, 2024 and ends on April 18, 2024. HUD regulations stipulate all planning documents are due to HUD 45 days before the beginning of the program year of July 1.

Discussion:

Formula allocations for 2024 have not yet been released. The House passed an omnibus budget and is currently awaiting signature. Funding is anticipated to be similar as prior year with the exception of HOME funding which will be reduced. At this point it is customary to enter into phases of citizen participation and Board presentation to ensure timelines are met. When allocations are officially provided by Treasury the final funding percentages and goals will be adjusted accordingly. This will not result in a substantial amendment.

Program	FY 2023	FY 2024
	Allocations	Allocations
CDBG	11,231,021	TBD
HOME	5,967,476	TBD
HOPWA	1,423,600	TBD
ESG	1,208,579	TBD
HTF	3,066,413	TBD
Total	22,897,089	

The draft 2024 Annual Action Plan illustrates New Mexico's priority needs, goals, outcome measures and proposed distribution of funds across the goals. Funding amounts and outcome measures for goals are determined on estimated allocations using a baseline of prior year data.

Summary:

The Compliance and Initiatives staff request board approval of the 2024 draft Annual Action Plan to progress towards meeting HUD regulations and final submission to HUD in May 2024.



DRAFT

2024 Annual Action Plan

New Mexico Mortgage Finance Authority

and

New Mexico Department of Finance and Administration





NEW MEXICO DEPARTMENT OF FINANCE & ADMINISTRATION



Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format such as large print, Braille or audiotape, please contact Sherry Stephens at New Mexico Mortgage Finance Authority at:

Phone: 505-767-2250

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Dial 7-1-1 to use Hamilton Relay in New Mexico or call one of the toll-free numbers below:

TTY: 800-659-8331

Voice: 800-659-1779

VCO (Voice Carry Over): 877-659-4174

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Spanish: 800-327-1857

(Includes Spanish-to-Spanish and translation from English to Spanish)

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

In 1994, the U.S. 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 Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process was intended to comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities. It was termed the Consolidated Plan for Housing and Community Development.

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers communities the opportunity to shape these housing and community development programs into effective and coordinated neighborhood and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort. The term "entitlement area" refers to cities and counties that, because of 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 HUD programs directly. Entitlement areas receiving funding not covered by the New Mexico Consolidated Plan are City of Albuquerque, City of Las Cruces, City of Santa Fe, City of Farmington and 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.

As the lead agency for the Consolidated Plan, The New Mexico Mortgage Finance Authority (MFA) hereby follows HUD's guidelines for citizen and community engagement. Furthermore, it is responsible for overseeing these citizen participation requirements, including those that accompany the Consolidated Plan and CDBG, HOME, HOPWA, ESG and Housing Trust Fund (HTF) programs, as well as those that complement MFA planning processes already at work in the State. MFA administers HOME, ESG, HOPWA and HTF programs. The New Mexico Department of Finance and Administration (DFA), Local Government Division, administers CDBG program and is responsible for ensuring communities meet all CDBG citizen participation requirements.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

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.

Strategies the State will pursue over the next five years are as follows:

- 1. Expand the supply of quality affordable housing, including financing multifamily rental new construction;
- 2. Increase opportunities for homeownership, including financing new construction of single-family homes and providing financial assistance to prospective buyers of those homes;
- Preserve the State's existing affordable housing stock, including providing resources for owneroccupied homeowner housing rehabilitation and financing multifamily rental acquisition and rehabilitation;
- Provide housing for special needs populations, including encouraging the development of special needs housing with services, expanding housing opportunities and access for special needs populations and funding non-profit entities providing housing and related services for persons living with HIV/AIDS;
- 5. Address immediate needs of persons experiencing homelessness through housing assistance and assistance to shelters and reduce the incidence of homelessness by increasing the level and range of services provided to persons experiencing homelessness and persons at risk of homelessness and increasing the number of available living environments, especially permanent housing situations, for persons who have been homeless or are at risk of homelessness;
- Enhance the quality of life for New Mexicans by providing funding for public infrastructure improvements such as projects relating to water, wastewater, sewer systems, roadways, storm drainage, public facilities and housing in non-entitlement communities, with a set-aside for Colonias;
- 7. Provide assistance to non-entitlement communities to plan and prepare for infrastructure projects by funding planning grants that include comprehensive asset management and related plans; and

Enhance economic development activities in non-entitlement communities to create new, permanent jobs for New Mexicans.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

MFA's and DFA's evaluations of past performance on CDBG, HOME, ESG, HOPWA and HTF have been completed in annual Consolidated Annual Performance and Evaluation Reports (CAPERs); the most recent of which was accepted and approved by HUD in December 2023. Each CAPER states the objectives and outcomes identified in each Annual Action Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance.

MFA analyzes housing, low-income areas, and community needs of NM citizens to determine project funding estimates for the upcoming years to include past performance and impediments. The CAPER reports MFA's and DFA's progress on meeting the outcomes and measures. The past CAPER shows targets on track to meet priority needs for the selected areas and projects based on need and study analytics.

The 2022 CAPER along with previous reports can be found on MFA's website at: <u>https://housingnm.org/resources/plans-and-reports/caper</u>. MFA and DFA are on target to meet or exceed set goals. The 2023 CAPER will be compiled in July 2024 and submitted in September 2024 and any evaluation findings will be added as considerations to goals and projects for 2025 Annual Action Plan.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Citizen participation and consultation for this plan began with a review of New Mexico's past Citizen Participation Plan which sought to broaden participation. The State identified methods of additional participation and clarified existing consultation processes. Those methods and activities were a key part of the Consolidated Plan's preparation. The current citizen participation plan is attached in the grantee unique appendices. The public notice was published in seven newspapers throughout the State to reach metro and rural areas. In addition, the notice and report were posted on MFA and DFA's websites and available in a variety of formats.

A thirty-day public comment period was held from March 18, 2024 to April 18, 2024 during which citizens were invited to comment on a draft of annual action plan.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) held a public comment period on the DRAFT 2024 Annual Action Plan. A thirty-day public comment period began on March 18, 2024 and ended on April 18, 2024 with a hybrid (virtual/in-person) public hearing held on April 15, 2024. The 2024 Annual Action Plan is the fifth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

6. Summary of comments or views not accepted and the reasons for not accepting them

7. Summary

The Annual Action Plan provides residents of New Mexico with a comprehensive review of housing and community development needs within New Mexico, an opportunity to provide perspectives on those needs and an understanding of the State's five-year plan for addressing those needs. Through a citizen participation process that included stakeholders and multiple community outreach efforts, MFA used community feedback to shape strategies that focus on affordable and special needs housing, assistance for those experiencing homelessness and infrastructure improvements. Any comments received through this process are summarized in the Citizen Participation Section.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	NEW MEXICO	MFA Compliance and Initiatives Department
CDBG Administrator	NEW MEXICO	DFA Community Development Bureau
HOPWA Administrator	NEW MEXICO	MFA Community Development Department
HOME Administrator	NEW MEXICO	MFA Housing Development Dept./MFA Community Development
ESG Administrator	NEW MEXICO	MFA Community Development Department
HTF Administrator	NEW MEXICO	MFA Housing Development Department

Table 1 – Responsible Agencies

Narrative

New Mexico will meet its responsibility to provide decent and affordable housing and aid in the development of viable communities with suitable living environments and expanded economic and community development opportunities. This will be done with the help and support of a network of public institutions, nonprofit organizations and private industries. For example, MFA partners with DFA, and DFA provides CDBG funding on projects involving housing. The State is fortunate to have a strong relationship with valuable service agencies.

MFA also works to instill capacity for strong housing and community development across the State through funding initiatives, outreach, training and other capacity building endeavors.

Consolidated Plan Public Contact Information

Sherry Stephens, Program Manager

Mortgage Finance Authority

344 Fourth Street

Albuquerque, NM 87102

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

As part of the process MFA and DFA must consult with a wide variety of organizations in order to gain understanding of the housing and community development process. This Consolidated Plan and planning process represents a collective effort from a broad array of entities in New Mexico, ranging from governmental officials, advocacy groups, social service providers and economic development organizations. Private, non-profit and public organization representatives, including agencies that provide assistance and public housing; agencies with expertise regarding lead-based paint hazards; local governments; Continuum of Care organizations; public and private agencies addressing low-income, homeless or special needs populations; publicly funded institutions that may discharge persons into homelessness; business and civic leaders were contacted through several means, such as e-mail correspondence, online surveys and face-to-face interactions. These stakeholders were solicited to discuss housing and community development needs in New Mexico, including the ranking of needs and activities that MFA and DFA might consider to better address needs throughout the State. Further, individuals were asked to provide additional insight into prospective barriers and constraints in addressing housing and community development needs in New Mexico.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

As part of the planning process, MFA and DFA consulted with social service organizations that provide assistance to individuals facing health and mental health challenges, including the New Mexico Coalition to End Homelessness. Three focus groups were held where affordable housing topics were highlighted, and feedback gathered from affordable housing industry participants. These discussions included considerations for coordinating both health and housing needs for vulnerable populations. Additionally, New Mexico Department of Corrections Probation and Parole held a remote session that invited participation from individuals in State custody to identify housing needs upon release. Finally, through surveys and stakeholder interviews, a wide range of housing and health providers were consulted.

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

MFA and DFA staff serve on the Colonias Infrastructure Board, which was created by the Colonias Infrastructure Act. The Act's purpose is to ensure adequate financial resources for infrastructure development for Colonias recognized communities, provide for the planning and development of infrastructure in an efficient and cost-effective manner and develop infrastructure projects to improve quality of life and encourage economic development. As part of this effort, the Colonias Infrastructure Board may make loans and grants from the Colonias Infrastructure Project Fund to qualified entities for projects prioritized by the Board.

As part of the planning process, input from agencies serving Colonias was included through the online surveys, community focus groups and the invitation to comment on the Consolidated Plan throughout the participation process. New Mexico's planning team included representation from the Eastern Plains Council of Governments, the Southwest New Mexico Council of Governments, Eastern Regional Housing Authority and El Camino Real Housing Authority, all of which serve Colonias. Additionally, Las Cruces focus group included the City of Las Cruces and Mesilla Valley Housing Authority, which serve Colonias.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

New Mexico is served by two Continuums of Care (CoCs): Albuquerque CoC, which serves the City of Albuquerque, and the Balance of State CoC, which serves the rest of the State. The New Mexico Coalition to End Homelessness (NMCEH) coordinates both CoCs. MFA is a member of each CoCs governing board and works with the CoCs in planning, policies and procedures related to CoC activities.

MFA also works closely with NMCEH in the coordination of other efforts to address the needs of individuals and families who are experiencing homelessness or are at risk of homelessness. In addition to administering both CoCs in New Mexico, NMCEH offers training and technical assistance to nonprofit agencies and other groups in New Mexico, partners with other organizations to create supportive housing, manages New Mexico Homeless Management Information System (HMIS), the statewide coordinated entry system and is engaged in campaigns at the state and local levels to end homelessness. MFA provides support for activities undertaken by NMCEH through financial commitments, such as resources from general fund and in-kind contributions, such as meeting facilities and technical assistance to its members. Further, as part of the consolidated planning process, MFA worked with New Mexico Department of Corrections Probation and Parole to gather input from individuals in State custody regarding housing needs upon release.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

MFA is a member of the governing boards of both CoCs in New Mexico and receives input from CoC staff and member agencies regarding allocation priorities, performance standards and outcome measures for ESG funds. MFA is a member of the HMIS Governing Committee, which includes representation from NMCEH and several HMIS user agencies. This committee meets quarterly to address all issues related to HMIS administration in the State and works with the CoCs to: (1) review, revise and approve a privacy plan, security plan and data quality plan for HMIS; (2) ensure consistent participation of recipients and sub-recipients in HMIS; and (3) ensure HMIS is administered in compliance with HUD requirements.

2. Agencies, groups, organizations and others who participated in the process and consultations.

1	Agency/Group/Organization	NEW MEXICO COALITION TO END HOMELESSNESS
	Agency/Group/Organization Type	Services-homeless Civic Leaders
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis HMIS Coordinator
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interviews conducted which helped shape priority needs and strategies. Agency/Group/Organization received notice of the draft plan, comment period and public hearings to provide comments
2	Agency/Group/Organization	ALBUQUERQUE
	Agency/Group/Organization Type	Service-Fair Housing Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

Table 2 – Agencies, groups, organizations who participated

3	Agency/Group/Organization	RIO RANCHO
	Agency/Group/Organization Type	Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
4	Agency/Group/Organization	SANDOVAL COUNTY
	Agency/Group/Organization Type	Other government - County Other government - Local Business and Civic Leaders Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participate in focus groups. Survey and interview conducted which helped to shape priority needs and strategies.

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5	Agency/Group/Organization	New Mexico Legal Aid
	Agency/Group/Organization Type	Service-Fair Housing
		Statewide organization
	What section of the Plan was addressed by Consultation?	Housing Advocacy, Foreclosure Prevention
	Briefly describe how the Agency/Group/Organization was	Survey and interview conducted which helped to shape priority needs
	consulted. What are the anticipated outcomes of the	and strategies.
	consultation or areas for improved coordination?	
6	Agency/Group/Organization	HOPE WORKS NEW MEXICO
	Agency/Group/Organization Type	Services-Education
		Service-Fair Housing
		Supportive services
	What section of the Plan was addressed by Consultation?	Support Housing
	Briefly describe how the Agency/Group/Organization was	Participate in focus groups which helped determine priority needs and
	consulted. What are the anticipated outcomes of the	strategies.
	consultation or areas for improved coordination?	
7	Agency/Group/Organization	GREATER ALBUQUERQUE HOUSING PARTNERSHIP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Rental housing, first-time homeowner
	Briefly describe how the Agency/Group/Organization was	Survey and interview conducted which helped to shape priority needs
	consulted. What are the anticipated outcomes of the	and strategies.
	consultation or areas for improved coordination?	
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8	Agency/Group/Organization	Southwest New Mexico Council of Governments
	Agency/Group/Organization Type	Other government - Local Regional organization Business and Civic Leaders Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Economic Development Colonias Set-aside Strategy Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
9	Agency/Group/Organization	EASTERN PLAINS COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Other government - Local Regional organization Business Leaders Business and Civic Leaders Persons, low income living where CDBG funds are proposed
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

10	Agency/Group/Organization	SANTA FE
	Agency/Group/Organization Type	Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
11	Agency/Group/Organization	WHITE SANDS HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
12	Agency/Group/Organization	New Mexico Department of Finance and Administration
	Agency/Group/Organization Type	Other government - State Planning organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Colonias Set-aside Strategy

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.				
13	Agency/Group/Organization	LOS ALAMOS HOUSING PARTNERSHIP				
	Agency/Group/Organization Type	Housing				
	What section of the Plan was addressed by Consultation?	Homelessness Strategy				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.				
14	Agency/Group/Organization	UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH				
	Agency/Group/Organization Type	Other government - State				
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.				
15	Agency/Group/Organization	INDEPENDENT LIVING RESOURCE CENTER				
	Agency/Group/Organization Type	Social Services				
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Housing and Social Services				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team; requested to distribute surveys, which helped to shape priority needs and strategy				
16	Agency/Group/Organization	NEW MEXICO COUNCIL AGAINST DOMESTIC VIOLENCE				
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	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services - Victims Statewide organization				
	What section of the Plan was addressed by Consultation?	Housing and supportive services Survey and interview conducted which helped to shape priority needs and strategies.				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?					
17	Agency/Group/Organization	Catholic Charities				
	Agency/Group/Organization Type	Child Welfare Agency Statewide Organization				
	What section of the Plan was addressed by Consultation?	Housing Need Assessment				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.				
18	Agency/Group/Organization	MESILLA VALLEY COMMUNITY OF HOPE				
	Agency/Group/Organization Type	Regional organization				
	What section of the Plan was addressed by Consultation?	Supportive Service				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.				
19	Agency/Group/Organization	APARTMENT ASSOCIATION OF NEW MEXICO				
	Agency/Group/Organization Type	Statewide Organization				

	What section of the Plan was addressed by Consultation? Briefly describe how the Agency/Group/Organization was	Housing Need Assessment Market Analysis Housing Member of planning team. Requested to distribute survey which
	consultation or areas for improved coordination?	helped to shape priority needs and strategies.
20	Agency/Group/Organization	EASTERN REGIONAL HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Regional organization Persons, low income living in CDBG purposed area
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Housing, Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
21	Agency/Group/Organization	EL CAMINO REAL HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Persons, low income living in CDBG purposed areas
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Housing and Social Services

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.			
22	Agency/Group/Organization	PUEBLO OF ACOMA HOUSING AUTHORITY			
	Agency/Group/Organization Type	Housing PHA Persons, low income living in CDGB purposed areas			
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Housing and Social Services			
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.			
23	Agency/Group/Organization	NATIVE PARTNERSHIP FOR HOUSING			
	Agency/Group/Organization Type	Housing			
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Housing and Social Services			
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.			
24	Agency/Group/Organization	NEW MEXICO CORRECTIONS DEPARTMENT - PROBATION & PAROLE			
	Agency/Group/Organization Type	Services-Education Other government - State			

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted targeted focus groups which helped to shape priority needs and strategies.
25	Agency/Group/Organization	NEW MEXICO ENVIRONMENT DEPARTMENT - WATER PROTECTION DIVISION
	Agency/Group/Organization Type	Agency - Management of Public Land or Water Resources Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.
26	Agency/Group/Organization	NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Emergency Management Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.

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27	Agency/Group/Organization	NM Children Youth and Families Department		
-,	Agency/Group/Organization Type	Services - Housing Services-Children Child Welfare Agency Other government - State		
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy		
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working and discussions to confirm priority needs and strategies.		
28	Agency/Group/Organization	TIERRA DEL SOL HOUSING CORPORATION		
	Agency/Group/Organization Type	Housing		
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Colonias Set-aside Strategy		
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.		
29	Agency/Group/Organization	New Mexico Department of Health		
	Agency/Group/Organization Type	Services-Health Health Agency Child Welfare Agency		
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy		

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working discissions and interview which helped confirm priority needs and strategies.		
30	Agency/Group/Organization	ConnectNM		
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide		
	What section of the Plan was addressed by Consultation?	Housing Need Assessment		
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.		

Identify any Agency Types not consulted and provide rationale for not consulting

The State made every attempt to be inclusive in its consultation process and consult all agency types during preparation of the Consolidated Plan and supporting documents.

• Employment – Reached out to the New Mexico Association of Commerce and Industry twice for input and did not hear back.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		This plan incorporates COC's goals and strategies to reduce homelessness.

Table 3 – Other local / regional / federal planning efforts

Narrative

MFA provided information throughout the year to a number of external advisory and oversight committees comprising of representatives from various housing related industries and geographic areas of the state to advise and comment on activities undertaken with federal dollars. These committees include Mortgage Finance Authority Act Legislative Oversight Committee, New Mexico Housing Trust Fund Advisory Committee and Allocation Review Committee. MFA will continue to work with and consult with these committees regarding activities in the Action Plan. MFA also meets annually with focus groups organized according to Action Plan activities such as housing development, rehabilitation and homelessness prevention. MFA initiated a Housing New Mexico Advisory Committee fostering collaboration for a data driven approach.

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 capacity, MFA and DFA will continue outreach to a variety of agencies and entities involved with housing and community development activities in New Mexico.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal setting.

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) held a public comment period on the DRAFT 2024 Annual Action Plan. A thirty day public comment period began on March 18, 2024, and ended on April 18, 2024 with a hybrid (virtual/in-person) public hearing held on April 15, 2024. The 2024 Annual Action Plan is the fifth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

Citizen Participation Outreach

Sort Or der	Mode of Ou treach	Target of Ou treach	Summary of response/atte ndance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non- targeted/bro ad community Residents of Public and Assisted				
		Housing				

Sort Or der	Mode of Ou treach	Target of Ou treach	Summary of response/atte ndance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
2	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Non- targeted/bro ad community				
3	Website MFA and DFA	Non-English Speaking - Specify other language: Spanish Non- targeted/bro ad community Interested parties				

Table 4 – Citizen Participation Outreach

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with Aids (HOPWA) and Housing Trust Fund (HTF) programs. HOME and CDBG programs will produce program income that will also be available for program specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Section 811 Housing, Section 202 Housing, Rural Innovation Fund and Housing Counseling. Many partners leverage resources with other funding sources they directly receive such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self-Determination Act (NAHASDA) grants.

The State's additional federal resources include HUD's Recovery Housing Program, HUD's Veterans Housing Rehabilitation Program, the Capital Magnet Fund, United States Department of Agriculture (USDA) programs, Federal Housing Administration (FHA) loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, the HUD 542(c) Risk Sharing Program, American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (FRF), and HUD Section 811 Project Rental Assistance.

Other nonfederal resources expected to be available through MFA include resources from State legislative allocations, New Mexico Housing Trust Fund, MFA's Primero Fund and New Mexico Affordable Housing Tax Credit. Many partners also leverage other state resources, such as funding from New Mexico Human Services Department and New Mexico Children, Youth & Families Department. Further, local governments may provide resources, and private support may be available from organizations such as United Way and Ventana Fund (CDFI), or from developer contributions (land, deferred developer fee, loans) and private donations.

The focus of the ESG program is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The allowable activities for this funding are maintained and updated in the Homeless Management Information System (HMIS), Shelter Operations, Essential Services, Homeless Prevention and Rapid Re-Housing. The program is intended to be used for the most vulnerable populations who meet the eligibility criteria as outlined in ESG regulations under 24 CFR Part 576.

HOPWA funds are used to provide housing assistance for low-income individuals living with HIV/AIDS and their families. Services can be in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and

PHP is used to pay for security deposits, utility connection fees and first month's rent. HOPWA formula funds can cover the cost of renting a hotel/motel unit to ensure the health and safety of the person living with HIV/AIDS (PLWHA) and/or the family/household members. HOPWA formula funds can also cover costs for case management, nutrition, food, transportation and any of the regular HOPWA eligible services while the participant is staying in the hotel/motel. However, these funds cannot cover damages to the room caused by the participant.

HOME and HTF funds are awarded to affordable housing activities on an annual basis, after MFA learns the amount of funding allocations from HUD for the upcoming year. The award process is competitive and site specific development names and addresses are not known prior to the notice of funding availability. New Mexico is a high minority State and does comply with Home Site and Neighborhood Standards with awarded projects.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

PROGRAM	PO	TENTIAL ADDITIONAL SC	OURCES OF FUNDS	
	Other Federal or Federally Subsidized	State	Local	Private
CDBG	US Department of Agriculture (USDA)	State legislative allocation, Colonias Infrastructure funds and Water Trust Board funds	Local government contributions	Community Assistance Corporation and private funding (economic development)
ESG – RR/HP		State legislative allocation, New Mexico Human Services Department funding	Local government contributions	
ESG - EHAP	Victims of Crime Act (VOCA) Federal Emergency Management Agency (FEMA)	State legislative allocation, New Mexico Children, Youth & Families Department funding	Local government contributions	United Way, private donations
HOPWA	None	None	None	None
HOME - Owner- Occupied Rehab	Community Development Block Grant (Regular CDBG) HUD Veterans Housing Rehabilitation Program	NMHTF for Emergency Repair Program (ERP)	Local government contributions	
HOME - Single Family Homeownership Development	Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program,	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, private donations

HOME - Rental	Federal Housing Administration (FHA) Ioan programs Low Income Housing Tax Credit (LIHTC) tax- exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, Federal Home Loan Bank (FHLB) Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (Community Development Financial Institution- CDFI), developer contributions (land, deferred developer fee, loans), private donations
HTF	LIHTC, tax-exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, FHLB Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (CDFI), developer contributions (land, deferred developer fee, loans), private donations

Anticipated Resources

The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.

Program	Source	Uses of Funds	Ex	pected Amour	nt Available Ye	ar 4	Expected	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,231,021	0	0	11,363,296	11,740,697	The State will set aside 10 percent of its regular CDBG allocation for Colonias. Regular CDBG funds are not used on tribal reservations.

Program	Source	Uses of Funds	Ex	pected Amour	nt Available Ye	ar 4	Expected	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
HOME	public - federal	Admin and Planning Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,967,476	3,901,520	6,162,664	16,031,660	3,757,257	Funds may be used statewide.
HOPWA	public - federal	Permanent housing placement Short-Term Rent, Mortgage, and Utility (STRMU) assistance Tenant-Based Rental Assistance (TBRA), Supportive Services	1,423,600	0	0	1,423,600	1,238,606	MFA administers the City of Albuquerque HOPWA allocation under a memorandum of understanding as well, and those funds are used specifically in the City of Albuquerque.

Program	Source	e Uses of Funds	Ex	pected Amour	nt Available Ye	Expected	Narrative Description	
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,208,579	0	0	1,208,579	1,164,006	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,066,413.39	3,000	3,191,955	6,261,368.39	2,226,293	Funds may be used statewide.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied

Federal funds in the programs shown above are leveraged in many ways. Regular CDBG funds are leveraged with appropriations from the state legislature and local governments. This leverage equates to a dollar to dollar match after the first \$100,000. HOME and HTF funds are leveraged with HUD's Veterans Housing Rehabilitation Program, Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program, FHA loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, FHLB Affordable Housing Program, the state's General Fund, New Mexico Housing Trust Fund, New Mexico Affordable Housing Tax Credit, Primero Fund, Ventana Fund, and a variety of private and local funding sources.

ESG is leveraged with appropriations from the state legislature, and is used in conjunction with VOCA, FEMA, New Mexico Children, Youth & Families Department funding, New Mexico Human Services Department funding, local government contributions, United Way funding and private donations. After the first \$100,000, all regular ESG expenses must be matched dollar for dollar. Cash, non-cash, and program income must meet requirements of § 576.201. Matching funds must be contributed to the ESG program and expended for the subrecipient's allowable ESG costs. Emergency Homeless Assistance program (EHAP) subrecipients shall be required to provide matching funds in an amount at least equal to their approved ESG funding amounts for eligible program activities. Eligible match sources include: cash; the value or fair rental value of any donated material or building; the value of any lease on a building; any salary paid to staff to carry out the program of the recipient and the value of the time and services contributed by volunteers to carry out the program of the subrecipient at a current rate of \$5 per hour. Volunteers providing professional services such as medical or legal services are valued at the reasonable or customary rate in the community. Match requirements for the Rental Assistance program (RR/HP) are met by MFA's legislative appropriations for state homeless programs.

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. Eligible forms of HOME match are documented by MFA and reported to HUD as part of the Consolidated Annual Performance and Evaluation Report (CAPER) each year. MFA requested the use of the HOME program statutory suspensions and/or regulatory waivers available under Section 290 of the Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA), as amended, and those authorized under 24 CFR 5.110.

There is no match requirement for HTF.

If appropriate, describe publicly owned land or property located within the jurisdiction that

may be used to address the needs identified in the plan

This section is not applicable.

Discussion

The State receives CDBG, HOME, ESG, HOPWA and HTF funds. With the exception of a 10 percent setaside of regular CDBG funds for Colonias and the specific use of HOPWA funds administered on behalf of the City of Albuquerque, all funds are eligible for use statewide. The State makes special efforts to leverage all funds through other federal, state, local and private sources to further address needs identified in this Action Plan.

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.

Sort	Goal Name	Start	End	Category	Geographic	Needs Addressed	Funding	Goal Outcome Indicator
Order		Year	Year		Area			
1	1A. Expand &	2020	2024	Non-Housing	Statewide	Expand &	CDBG:	Public Facility or
	Improve Public			Community		Improve Public	\$9,863,296	Infrastructure Activities
	Infrastructure and			Development		Infrastructure &		other than Low/Moderate
	Public Facilities					Facilities		Income Housing Benefit:
								30,353 Persons Assisted
						-		
2	2A. Rehabilitate	2020	2024	Affordable	Statewide	Preserve &	HOME:	Homeowner Housing
	Owner Occupied			Housing		Maintain	\$5,381,571	Rehabilitated:
	Housing					Affordable		51 Household Housing
						Housing		Units
3	2B. Increase	2020	2024	Affordable	Statewide	Preserve &	HOME:	Homeowner Housing
	Homeownership			Housing		Develop	\$1,065,657	Added:
	Opportunities					Affordable		7 Household Housing
						Housing		Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop	2020	2024	Affordable	Statewide	Preserve &	HOME:	Rental units constructed:
	Affordable Rental Housing			Housing		Develop Affordable	\$9,584,432	16 Household Housing Units
	nousing					Housing		Rental units rehabilitated: 16 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$6,261,368.39	Rental units constructed: 10 Household Housing Units
								Rental units rehabilitated: 10 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2024	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$1,500,000	Jobs created/retained: 14 Jobs Businesses assisted:
								Businesses assis 3 Businesses As

Sort	Goal Name	Start	End	Category	Geographic	Needs Addressed	Funding	Goal Outcome Indicator
Order		Year	Year		Area			
7	4A. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$432,183	Tenant-based rental
	Assistance to					Assistance for		assistance / Rapid
	Reduce					Vulnerable		Rehousing:
	Homelessness					Populations		
								294 Households Assisted
								Homelessness Prevention:
								194 Persons Assisted
8	4B. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$776,396	Homeless Person
	Assistance for					Assistance for		Overnight Shelter:
	Shelters					Vulnerable		2,848 Persons Assisted
						Populations		
9	4C. Provide	2020	2024	Non-Homeless	Statewide	Housing	HOPWA:	Tenant-based rental
	Assistance to			Special Needs		Assistance for	\$1,423,600	assistance / Rapid
	Persons w/					Vulnerable		Rehousing:
	HIV/AIDS					Populations		117 Households Assisted
								Homelessness Prevention:
								206 Households Assisted

Table 2 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

The following section describes the allocation priorities by goals in this plan.

Funding Allocation Priorities

	1A. Expand & Improve Public Infrastructure & Public Facilities (%)	2A. Rehabilitate Owner- Occupied Housing (%)	2B. Increase Homeownership Opportunities (%)	2C. Develop Affordable Rental Housing (%)	2D. Develop Housing for Vulnerable Populations (%)	3A. Provide Assistance for Job Creation (%)	4A. Provide Assistance to Reduce Homelessness (%)	4B. Provide Assistance for Shelters (%)	4C. Provide Assistance to Persons w/ HIV/AIDS (%)	Colonias Set- Aside (%)	Total (%)
Regular CDBG	78	0	0	0	0	12	0	0	0	10	100
HOME	0	34	6	60	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	0	100	0	100
ESG	0	0	0	0	0	0	36	64	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	100

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

Through experience, data analysis and consultation, the allocation priorities for CDBG and HOME have been identified as noted above. These priorities reflect the estimated amount of funds necessary to meet the goals set forth in this Plan and address the priority needs identified by the State. HUD funds are being targeted to priority housing and community development needs, including owner-occupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

For the regular State CDBG program, the allocation percentages are based on totals given the demanddriven nature of the program and HUD regulation. CDBG funds are allocated through annual competition. This competitive process prioritizes funding in part to applicants that describe and document significant need. This need-based review prevents DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity.

HOME funds are awarded to activities as indicated above on an annual basis, after MFA learns the amount of funding allocations from HUD for the upcoming year. Applications for HOME funds for multifamily developments can be made through the competitive LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come, first-served basis for as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA after receiving the allocation.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rapid Rehousing and Homeless Prevention Program (RR/HP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters receiving EHAP funds through regular ESG are selected through a competitive process that includes a number of criteria, such as the shelter's capacity and previous performance. These criteria ensure that the highest number of individuals will be served by shelters that are most qualified to serve them. RR/HP funds are awarded to agencies providing rapid rehousing and homeless prevention services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

HOPWA funds are used for housing assistance for persons with HIV/AIDS and are allocated to agencies selected through a competitive process that includes criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of

persons at or below the federal poverty level who are diagnosed with HIV/AIDS in the counties served by each agency. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds will address the priority needs of the plan by meeting objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through established methods of distribution.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

New Mexico has designed its Method of Distribution (MOD) according to the State's vision of how CDBG funds and other formula grants should be distributed within the State, consistent with State program requirements and HUD Notice CPD-06-11. The MOD only summarizes selection criteria in this section of the Consolidated Plan because details are promulgated in official state publications that are widely disseminated to eligible applicants. This includes criteria used to select applications for funding including relative importance of the criteria. The MOD also includes, where appropriate, a description of how all resources will be allocated among funding categories and the threshold factors and grant size limits that are to be applied, including funding thresholds, number of applications allowed per grantee, as well as any grant limits that the State has imposed.

Distribution Methods

1	State Program Name:	Community Development Block Grant (CDBG) Program
	Funding Sources:	CDBG and CDBG-CV
	Describe the state program addressed by the Method of Distribution.	DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials and other eligible applicants with the implementation of needed infrastructure, public buildings, housing rehabilitation, economic development, planning and other critical projects. Ten percent of each regular CDBG allocation is set aside for activities in the Colonias. The CARES Act adds additional flexibility for CDBG-CV grants in these unprecedented times. The objective, as such, shall help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income. The allowances for use in entitlement areas, and tribal reservations are only for CDBG-CV funds.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	DFA determines areas of CDBG funding based on need, readiness to proceed, uniform grant guidance and other current ranking criteria identified in the CDBG Rules and Regulations (NMAC 2.110.2). DFA has created a vetting process to ensure that set-aside funds for economic development and housing are efficiently utilized. Subrecipients are given an application after all parties involved agree that the project is eligible and has a low degree of risk. This process is designed to save time and eliminate unnecessary work. All CDBG-CV funds will be used as part of a needs-based response to COVID-19.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	DFA maintains CDBG applications, manuals and other necessary information on the website at <u>https://www.nmdfa.state.nm.us/local-</u> <u>government/community-development-bureau/cdbg-</u> <u>information/</u>
Describe how resources will be allocated among funding categories.	Under CDBG program, eligible applicants can apply for one of the following categories, contingent on funding availability: community infrastructure, housing, public facility capital outlay, economic development, public services or planning. Any of the funding categories above may be used in the Colonias.

	Describe threshold factors and grant size limits.	 Regular CDBG Funds (Non-CARES Act CDBG Funding) Eligible applicants can have one open project at any time for up to \$750,000 in regular CDBG infrastructure funds. Eligible applicants can apply throughout the year for up to \$500,000 in housing funds, as long as funds are available. Eligible applicants can have one open project at any time for up to \$750,000 for regular CDBG public facilities. Eligible applicants can have one open project at any time for up to \$500,000 for regular CDBG peoplect at any time for up to \$500,000 for regular CDBG economic development funds, as long as funds are available. Eligible applicants may apply for up to \$50,000 for regular CDBG planning funds throughout the year, as long as funds are available. Eligible applicants do not have a grant size limit for regular CDBG public services funding. CDBG-CV Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons. Number of persons assisted with public infrastructure and facilities funds Number of owner-occupied homes rehabilitated with housing funds Number of persons assisted or retained with economic development funds Number of persons assisted with housing funds Number of persons assisted with homelessness prevention funds
2	State Program Name:	HOME Rental Development
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The HOME Rental Development program provides below- market-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60 percent of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30 percent AMI.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.
Describe how resources will be allocated among funding categories.	Projects intending to use HOME funds in conjunction with 9 percent LIHTCs must meet all the conditions and requirements set forth in the applicable QAP. Projects receiving LIHTC awards will be awarded HOME funds simultaneously. Award amounts and payment structures will be determined by the debt capacity of the individual project and must meet the standards adopted for the LIHTC and HOME programs.
	Applications for HOME funds for all projects outside of the 9 percent LIHTC round will be accepted and reviewed on a first-come, first-served basis. MFA will conduct outreach to Community Housing Development Organizations (CHDOs) to encourage them to apply.
Describe threshold factors and grant size limits.	Awards of HOME funds to projects that receive 9 percent LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (b) \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs or (c) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non- CHDOs, (b)\$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.
What are the outcome measures expected as a result of the method of distribution?	 Number of rental units constructed for eligible households Number of rental units rehabilitated for eligible households

3	State Program Name:	Homeowner Rehabilitation Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The Homeowner Rehabilitation Program provides funding for the rehabilitation of homes occupied by homeowners whose annual household income does not exceed 80 percent of the area median income, adjusted for family size. In the event that substandard units are in such poor repair that rehabilitation is not appropriate, funds may also be used for reconstruction or replacement. Substandard units may be replaced with a new site-built home or new manufactured housing that is affixed to a permanent foundation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Subrecipients are selected based on organizational capacity, financial management capacity, construction experience, quality of program implementation plans, community need and other ranking criteria identified in a Notice of Funding Availability (NOFA) issued by MFA. Homeowners must occupy the home to be rehabilitated and must have annual household incomes at or below 80 percent of AMI adjusted for family size as determined by HUD.
	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the NOFA issued by MFA. Three percent of HOME funds are designated for subgrantee administrative fees.
	Describe threshold factors and grant size limits.	Hard construction costs are generally limited to an average of \$85,000 per home. Funding for soft costs of between \$10,000 - \$13,000 per home, depending on the home's location, may be available to subgrantees. These limits may change slightly, at MFA's discretion. Hard costs have increased due to the rise in building materials pricing.
	What are the outcome measures expected as a result of the method of distribution?	Number of eligible home units rehabilitated or replaced according to the program's standards.
4	State Program Name:	HOME Single Family Development Program
	Funding Sources:	НОМЕ

	Describe the state program addressed by the Method of Distribution.	The HOME Single Family Development Program provides below-market-rate loans to developers for land purchase, infrastructure development and construction of single-family homes for purchase by low-income households. Developers receiving such loans may also apply for grant funding for principal reduction of single family mortgages obtained by purchasers of the constructed homes. Developers of 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HOME single-family development loans and any associated principal reduction grants are provided on a first-come, first- served basis, provided that the project meets MFA's underwriting criteria.
	Describe how resources will be allocated among funding categories.	Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers' mortgages. MFA conducts outreach to CHDOs to encourage to application.
	Describe threshold factors and grant size limits.	Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	 Number of homes constructed for eligible homebuyers Number of eligible homebuyers receiving down payment assistance
5	State Program Name: Funding Sources:	Rental Assistance Program (RR/HP) ESG

Describe the state program addressed by the Method of Distribution.	The Rental Assistance Program (RR/HP) provides funds to subrecipients across the state who deliver emergency assistance to individuals and households experiencing homelessness or at risk of becoming homeless. Assistance can be used for essential services for individuals and families receiving rapid rehousing and homeless prevention assistance as rent, rental arrears, landlord incentives, renter's insurance, security deposits, application fees, housing relocation and stabilization services, housing search and placement, utilities, utility arrears, training, vaccine incentives, hazard pay, volunteer incentives, legal services, and is intended to restore stability for a specific time period. Sub-recipient applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in any procurement process issued by MFA. Beneficiaries of rapid re-housing assistance must meet the definition of homelessness set forth in 24 CFR §576.104. For regular ESG, beneficiaries of homelessness prevention assistance must have incomes at or below 30 percent AMI and have documentation that meet the HUD definition for "At risk of homelessness" as outlined in 24 CFR §576.2 (1). Households deemed eligible for regular ESG homelessness prevention assistance would need to provide one of the following:
	 following: Certification by the individual or head of household that no subsequent residence has been identified, OR Self-certification or other written documentation that the individual or head of household lacks the financial resources and support networks to obtain other housing.

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non- profit organizations, including community and faith-based organizations. (ESG only)	RR/HP funds are currently available to subrecipients through an RFP process. Nonprofit 501(c)(3) organizations and units of general purpose local government are eligible to apply. Selected subrecipients are eligible to receive funds for up to 6 years on an annual basis if the renewal criteria are met each year.
	Describe how resources will be allocated among funding categories	Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's allocation were used for eligible administrative costs incurred by MFA.
	Describe threshold factors and grant size limits. What are the outcome measures expected as a result of the method of distribution?	 Annual funding allocations received by subrecipients are determined through a combination of factors, including parperformance and population of the counties served. Number of eligible households receiving rapid re-housi assistance Number of eligible persons receiving homelessness prevention assistance
6	State Program Name: Funding Sources:	Emergency Homeless Assistance Program (EHAP) ESG
	Describe the state program addressed by the Method of Distribution.	The Emergency Homeless Assistance Program (EHAP) provides funding for emergency shelter operations, essential services, and data collection using HMIS or Osnium.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	ESG Funds Applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Individuals qualifying for assistance must meet HUD's definition of homelessness.

	Describe the process for	ESG Funds
	awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non- profit organizations, including community and faith-based organizations. (ESG only)	EHAP funds are currently available to subrecipients through an RFP process. Nonprofit 501(C)(3) organizations and units of general purpose local government are eligible to apply. Selected sub-recipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.
	Describe how resources will be allocated among funding categories.	ESG Funds Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's ESG allocation will be used for eligible administrative costs incurred by MFA.
	Describe threshold factors and grant size limits.	Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.
	What are the outcome measures expected as a result of the method of distribution?	 Number of unduplicated eligible persons assisted Number of persons exited to permanent housing
7	State Program Name:	Housing Opportunities for Persons with AIDS (HOPWA) Program
	Funding Sources:	НОРWA
	Describe the state program addressed by the Method of Distribution.	The HOPWA program provides tenant-based rental assistance; short-term rent, mortgage, and utilities payments (STRMU); permanent housing placement assistance; and supportive services, to income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their total household income does not exceed 80 percent of the area median income as determined by HUD. MFA administers both the City of Albuquerque allocation and the New Mexico Balance of State allocation.

Describe all of the cri will be used to select applications and the importance of these	ative capacity, including financial management capacity, housing experience and plans for proposed areas to be served. These
Identify the method selecting project spor (including providing f to grassroots faith-ba other community-bas organizations). (HOP	accessfinancial management capacity, housing experience and plans for proposed areas to be served. Nonprofit organizations, including grassroots and community-based organizations, may be eligible to apply.
Describe how resourd allocated among fund categories.	
Describe threshold fa grant size limits.	The HOPWA award for the City of Albuquerque allocation is limited to the allocation less administrative costs incurred by MFA. Award limits for the Balance of State are based on need, or the percentage of persons with HIV/AIDS that are below the federal poverty level in the region to be served.
What are the outcom measures expected a of the method of dist	

⁸ State Program Name: Na	ational Housing Trust Fund (HTF)
Funding Sources:	ΓF
addressed by the Method of ar Distribution.	The HTF program provides forgivable cash flow loans or fixed ayment to developers to finance the production, acquisition ad/or rehabilitation of rental units for households whose comes do not exceed the greater of 30 percent Area edian Income (AMI) or the federal poverty line.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	 I projects must meet the following threshold criteria: HTF-assisted units must provide permanent rental housing for extremely low income (ELI) families. HTF-assisted units must remain affordable to ELI families for at least 30 years. The applicant must certify that HTF-assisted units will comply with all HTF requirements. The project must be financially feasible. HTF-assisted rehabilitation projects must comply with the rehabilitation standards found in the HTF allocation plan in the Grantee Unique Appendices. I projects that meet the threshold criteria will be evaluated cording to the following criteria: Geographic diversity Duration of the affordability period beyond the required 30 years Organization type Absence of project-based assistance Transit-oriented development Rural location Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market rate units Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner Use of state, local and private funding sources Extent to which the project provides permanent

a	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the Notice of Funding Availability issued by MFA, which elaborates on the guidelines described in MFA's HTF Allocation Plan. Up to 10 percent of MFA's allocation and future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202.
	Describe threshold factors and grant size limits.	All awards are limited by the maximum per-unit subsidy limits described in MFA's HTF Allocation Plan and by MFA's underwriting guidelines. Awards of HTF funds to projects that receive 9 percent LIHTCs are generally limited to \$400,000 per project; however, depending on fund availability higher awards may be allowed, at MFA's discretion. Limits on awards of HTF funds to all other projects may be established by MFA based on availability of funds. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.
r	What are the outcome measures expected as a result of the method of distribution?	 Number of units constructed for eligible households Number of units rehabilitated for eligible households

Table 4 - Distribution Methods by State Program

Discussion: The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.
AP-35 Projects – (Optional)

Introduction

MFA and DFA wait to allocate funding on the project level until HUD has published FY formula allocations. When DFA receives notice of CDBG allocation, this is when the allocation/funding decisions commence, and DFA will enter projects into IDIS through AP-35 screen. Likewise, MFA will follow normal allocation/funding decision process after receiving notice from HUD. Projects will be entered into IDIS through AP-35 screen by MFA. This is the normal process and does not cause a substantial amendment to the Action Plan and no further public notice is required.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

HUD funds are being targeted to priority housing and community development needs, including owneroccupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

Regular CDBG allocation percentages are based on a competitive process given the demand-driven nature of the program and HUD regulation. This process prioritizes funding in part to applicants that describe and document significant needs, preventing DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity. The State has set-aside 10 percent of its regular CDBG allocation to support providers located in the Colonias through investments in development/redevelopment projects and for homeless strategy. The Colonias have the additional barrier of the lack of capacity. Many of these communities do not have established local governments, tax bases or the organizational structure to compete for and implement funding. CDBG-CV funding will be used to mitigate damage as the result of COVID-19, which mandates the expeditious utilization of funds in response a rapidly changing health and economic environment.

HOME funds for multifamily developments are awarded after HUD allocations are received through the competitive annual LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come first-served basis as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RR/HP). EHAP funds are provided to emergency shelters that assist homeless

individuals as well as those fleeing domestic violence. Shelters are selected for regular ESG funds through a competitive process that includes eligibility criteria, such as the shelters capacity and previous performance. RR/HP funds are awarded to agencies providing homeless prevention and rapid rehousing services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served.

HOPWA funds are allocated to agencies through a competitive process that includes eligibility criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of persons, per county, living at or below the federal poverty level who are also diagnosed with HIV or AIDS. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

The State endures obstacles addressing underserved needs due to lack of funding to meet the full need and service provider capacity, especially in remote rural areas. MFA and DFA will strive to remove barriers to affordable housing by prioritizing and/or incentivizing existing providers and new providers to work in Colonias; strengthening delivery and building capacity to develop and rehabilitate housing in underserved areas; and promoting the development of new organizations to provide housing counseling and financial education around the State.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

The State does not assist non-entitlement units of general local government apply for Section 108 loan funds.

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

The State will allow units of general local government to carry out community revitalization strategies.

State's Process and Criteria for approving local government revitalization strategies

Depending on funding availability and the State's ability to support the request, the State will choose eligible applicants to carry out community revitalization strategies as long as the strategy is in accordance with eligible applicant's Comprehensive Plan, Infrastructure Capital Improvement Plan (ICIP) and meets the low-to-moderate income requirement.

AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Distribution Methods

State Program Name	Funding Sources
DFA Administered CDBG Program	CDBG

Table 5 - Distribution Methods by State Program for Colonias Set-aside

State programs Addressed

DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials with the implementation of needed infrastructure, public facilities, housing rehabilitation, economic development, planning and other critical projects.

Criteria and their importance

The Community Development Council (CDC) and DFA have developed rating and ranking criteria for evaluation of all regular CDBG projects with 10 percent being allocated for Colonias projects. The selection criteria in the rating and ranking system will give priority to projects that firmly demonstrate the following: need, appropriateness, impact and benefit to low- and moderate-income persons. These criteria are outlined in the State's rules and regulations in the New Mexico Administrative Code (NMAC 2.110.2). All regular CDBG applicants are rated and ranked on these criteria, with preference given to Colonias for the set-aside. In order to qualify as a Colonias project, the project must be located within 150 miles of the US/Mexico border, be designated as a Colonias and address one of the following needs: lack of potable water supply; lack of adequate sewage systems; or lack of decent, safe and sanitary housing.

CDBG only: Access of application manuals

The CDBG Implementation manual and other CDBG application information for regular CDBG funds can be found at https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/ and https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/ and https://www.nmdfa.state.nm.us/local-government/community-planning/cdbg-planning-grant/.

ESG only: Process for awarding funds to state recipients

N/A

HOPWA only: Method of selecting project sponsors

N/A

Resource Allocation among Funding Categories

Regular CDBG funding is not allocated among the funding categories until after applications are received, rated/ranked and allocation awards are made.

Threshold Factors and Grant Size Limits

Threshold factors and grant size limits for the Colonias are exactly the same as other non-entitlement communities outside the Colonias.

Outcome Measures expected as results of Distribution Method

Number of people assisted within the Colonias

Discussion

DFA will set aside 10 percent of regular CDBG funding for the Colonias. Counties with Colonias can apply for funding to direct to problem areas in the Colonias.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

DFA will set aside 10 percent of regular CDBG funds for Colonias neighborhoods. Further, pursuant to a memorandum of understanding, the State administers City of Albuquerque's HOPWA funds and those funds must be used within the City of Albuquerque. These funds are administered on behalf of the City and are not direct allocations to the State. They are not included in the percentage distributions for State allocations below. The table below represents regular CDBG funds only.

Geographic Distribution

Target Area	Percentage of Funds
COLONIAS NEIGHBORHOOD	10
Statewide	90

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Colonias have a variety of housing and community development needs that create opportunities for strategic investment. Regular CDBG funds will be targeted for all communities, but particularly in Colonias communities.

Discussion

DFA will set aside 10 percent of regular CDBG funds for Colonias neighborhoods.

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

The below tables reflect one-year goals for the State's HOME funds.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	7
Special-Needs	0
Total	7

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
Production of New Units	32
Rehab of Existing Units	51
Acquisition of Existing Units	0
Total	83

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion

The most important impediment to affordable housing revolves around insufficient federal and state resources for affordable housing initiatives. The lack of full funding for programs and resources to reduce excessive rent or mortgage burdens to qualified persons is a key factor. As a result, the State's goals include a variety of housing approaches that attempt to meet the demand for affordable housing to the fullest extent possible given the limited resources.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

The State of New Mexico has seventeen (17) public housing authorities (PHAs) within the jurisdiction of the State Consolidated Plan. DFA nor MFA operate public housing, therefore, neither agency directly plans resident initiatives. Efforts to collaborate more extensively with PHAs are underway through the State's three (3) Regional Housing Authorities (RHAs), which MFA oversees on behalf of the State. These RHAs are Northern Regional, Western Regional and Eastern Regional.

The actions below encompass seventeen (17) PHAs identified in this plan.

There are three (3) PHAs in New Mexico that are not among the PHAs listed in this plan: City of Albuquerque Housing Authority, Housing Authority of the City of Las Cruces and Santa Fe Civic Housing Authority. All three (3) PHAs are from HUD entitlement communities and plan public housing strategies within the grantee's jurisdiction. This plan does not include information from these public housing authorities.

Tribal Housing Authorities are also not among the PHAs listed in this plan and are not included in the State's public housing strategy. The twenty (20) Tribal Housing Authorities operate independently within sovereign nations. This plan does not include information from Tribal Housing Authorities.

Actions planned during the next year to address the needs to public housing

To the extent possible, MFA will make funding available to PHAs pursuing the redevelopment or rehabilitation of low-income properties for public housing that may be available through various MFA funding sources.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

MFA nor DFA operate public housing, therefore, neither agency directly plans resident initiatives. Local administrators are responsible for these activities. However, MFA is aware some PHAs provide opportunities for residents to participate in homeownership, including first-time homebuyer counseling.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable to the State directly, however, within the State of New Mexico, Northern Regional Housing Authority (NRHA) has been designated as "troubled" by HUD. While not directly responsible for the activities and performance of this housing authority, the State is committed to supporting it in improving its operations. The State will assist by providing oversight, training and technical assistance to support the housing authority in its effort to remove the troubled designation. NRHA has provided documentation to exhibit improved operational performance, however the "troubled" status cannot be changed until their Audited Financial Statements have been completed and approved by HUD. The anticipated completion date is April 2024.

Discussion

No additional discussion beyond points covered above.

AP-65 Homeless and Other Special Needs Activities - 91.320(h)

Introduction

The State aims to reduce homelessness and address the housing needs of individuals with special needs through the following overall strategies:

- Supporting a continuum of housing and supportive services programs that addresses the needs
 of the State's most vulnerable residents through homelessness intervention and rapid rehousing
 as well as by means of integrated services that maintain the housing stability, health and general
 well-being of "at-risk" populations; and
- Maintaining a strong relationship with the New Mexico Coalition to End Homelessness (NMCEH) to enhance and promote stabilization of individuals and families experiencing homelessness and encourage transition to stable, permanent housing situations.

ESG funds allow MFA to provide emergency assistance as well as rental assistance and in-house case management to ensure efficient client transition from homelessness to self-sustainability. HOPWA funds allow MFA to provide housing assistance for people living with HIV/AIDS.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

As a member of the governing boards of Albuquerque and Balance of State CoCs, MFA contributes to the CoCs' outreach planning. In addition, MFA requires that outreach be conducted by service providers receiving ESG funds under MFA's Rental Assistance Program (RR/HP), which provides Rapid Re-Housing services. These outreach efforts may include street outreach, outreach at shelters, outreach to clients receiving services targeted toward those experiencing homelessness and outreach to clients of behavioral health providers. MFA serves on the New Mexico Coordinated Entry System (NMCES) Governing Committees (the two NM CoCs have separate, though parallel, CES systems and administration), which meet quarterly to address issues and strategies for the NMCES, which was launched in June 2014 by the New Mexico Coalition to End Homelessness (NMCEH). The NM Balance of State CoC NMCES supports dedicated administration for both DV and Youth subpopulations. The NMCES has identified and assessed over 75,000 individuals since its inception (appx. 27,800 of these have been prioritized and entered in HMIS), using the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. Most recently, in CY2023, the New Mexico Coordinated Entry System managed 16,652 unduplicated active/open client records statewide, with 3,077 of those assessed as chronically homeless. The assessments are done at NMCEH as well as CoC and ESG-funded agencies, health centers, veteran programs, correctional facilities and during street outreach, including youth-focused projects in northern New Mexico and domestic violence programs statewide. The majority of MFA's RR/HP and EHAP providers are trained in the use of NM

Coordinated Entry System. Ongoing training for new staff members and new agencies will be conducted yearly; domestic violence service providers may elect not to use the NM Coordinated Entry System.

MFA uses ESG funding to support shelter operations, essential services for those residing in shelters, homelessness prevention assistance and rapid rehousing assistance throughout the State. DFA uses CDBG-CV funding to serve number of persons with homelessness prevention assistance.

Goals for ESG funds are to:

- Serve over 2,800 persons with overnight shelter and essential services;
- Serve over 194 persons with homelessness prevention assistance; and
- Serve over 294 households with homelessness prevention assistance.

Note: Goals may be modified upon receipt of allocations as the amount of funding will affect the number of persons that can be served.

Addressing the emergency shelter and transitional housing needs of homeless persons

MFA provides ESG funds for:

- Emergency shelter operating costs;
- Hotel/motel vouchers when shelter beds are unavailable; and
- Eligible essential services to those in shelters, such as case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services and transportation.

NMCEH and MFA are working together to find ways to implement a program of diversion as part of the crisis response system in order to lessen the burden on shelters and help some people avoid homelessness all together. NMCEH and MFA are also working on a plan to link the crisis response system more effectively to the system of permanent housing using coordinated entry.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

MFA provides ESG funds for:

• Rapid re-housing and homeless prevention assistance for persons experiencing homelessness, including:

- Financial assistance with costs such as rental application fees, security deposits, moving costs, utility deposits, rental payments, landlord incentives, legal services, training, and hazard pay;
- Housing search and placement services;
- Case management to assess, arrange, coordinate and monitor delivery of services to facilitate housing stability; and
- Short- to medium-term rental assistance.

NMCEH is working in the three largest communities of Santa Fe, Albuquerque and Las Cruces to use the by-name lists created through coordinated entry along with regular case conferencing meetings to house chronically homeless persons as quickly as possible and to determine what changes need to be made in existing programs to shorten or facilitate the time between identification of a chronically homeless household and placement into appropriate housing. Likewise, the community of Taos is participating in regular by-name list conferencing with the focus on services to homeless youth. NMCEH is working with programs to lower any artificial barriers that lengthen the time it takes to get housed. They use the by-name lists to help communities plan for additional permanent supportive housing to meet the need. For many years NMCEH has been helping programs adopt a housing first approach that serves to keep people housed by avoiding unhelpful evictions from programs. Following an increase in FY2020 – FY2021 that was influenced by the large demand for COVID crisis shelter, and the resulting logistical complications, the system-wide average length of time persons were homeless prior to housing move-in decreased by 94 days but increased 30.3 percent (to 216 days) in the Albuquerque metro area and by 17 days/9.0 percent (to 171 days) in the Balance of State.

Helping low-income individuals and families avoid becoming homeless, especially extremely lowincome individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

MFA provides ESG funds for:

- Homelessness prevention, including:
 - Financial assistance with costs such as rental application fees, security deposits, moving costs, utility deposits, landlord incentives, legal services, training, and payments;
 - Housing search and placement services;
 - Essential services and case management to assess, arrange, coordinate and monitor delivery of services to facilitate housing stability for families and individuals receiving assistance; and

• Short- to medium-term rental assistance.

NMCEH works with the State Housing Leadership group, a committee staffed by the New Mexico Human Services Department that includes other state departments. This group looks at what the State response needs to be to meet the housing needs of people with behavioral health diagnoses, people exiting the correctional system, those exiting foster care and others.

Discussion

NMCEH has noted a 25 percent decrease in the statewide Point in Time count (PIT) between 2011 and 2018, and has further decreased to 29 percent between 2011 and 2022. It seems that this is in part due to the efforts being made to expand housing opportunities and to get people into housing more efficiently. In CY2023, the PIT count included many additional surveyors participating statewide, and significantly more persons were identified in wider sampled counts. In the Balance of State CoC (all areas outside City of Albuquerque), 1,417 total persons were counted (12.9 percent increase from 2022) and, of those, 623 unsheltered persons were counted (59.3 percent increase from 2022). In the City of Albuquerque CoC, 2,394 total persons were counted (87.5 percent increase from 2022) and, of those, 977 unsheltered persons were counted (499.4 percent increase from 2022). These increases are likely due in part to the loss of supplemental services and COVID funding, but especially to the enhanced survey capacity being able to identify more unsheltered persons.

AP-70 HOPWA Goals - 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPV for:	VA
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or	
family	206
Tenant-based rental assistance	117
Units provided in permanent housing facilities developed, leased, or operated with HOPWA	
funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with	
HOPWA funds	0
Total	323

Note: Goals may be modified upon receipt of allocations as the amount of funding will affect the number of persons that can be served.

AP-75 Barriers to Affordable Housing – 91.320(i)

Introduction

Public policies are intended to address overall needs of citizens in the State. Yet, there are times where they may have a negative effect on certain aspects of the community, specifically affordable housing and residential investment. Affordable housing and public and private residential investments are key components in furthering fair housing in any community. The primary tool communities have for identifying contributing factors to these barriers to housing is an assessment of fair housing and fair housing choice. In 2020, the State of New Mexico updated the previous 2015 assessment. Analysis from the 2020 update has found:

- The cost of available housing is cited as the most significant barrier experienced or observed according to survey results.
- Analysis in the 2020-2024 Consolidated Plan revealed housing cost exceeds the income of households at 30 percent and 50 percent of median income. These cost burdens tended to fall more heavily on renters than homeowners.

The State plans corresponding actions designed to (1) continue to support and expand development of new affordable housing and preservation of existing affordable housing, which include the CDBG, HOME, LIHTC, HTF and other programs, (2) educate community stakeholders about the benefits of affordable housing and (3) attract affordable housing investment in New Mexico. Elements of those actions appear within the Consolidated Plan and beyond. Additionally, the State anticipates a review of public policies that may impede the development of affordable housing and to improve the understanding of their consequences.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

As noted, the State plans corresponding actions designed to (1) continue to support and expand development of new affordable housing and preservation of existing affordable housing, which include the CDBG, HOME, LIHTC, HTF and other programs, (2) educate community stakeholders about the benefits of affordable housing and (3) attract affordable housing investment in New Mexico. Elements of those actions appear within this Consolidated Plan and beyond.

Discussion

Though there are several barriers to affordable housing, the main barrier is the cost and availability of affordable housing units. The State continues efforts to expand development of new affordable housing and preservation of existing affordable housing. MFA has developed a housing strategy and has identified main areas to develop process enhancements. MFA leverages funding and strategies to align with entire organizations efforts with the priorities of highest impact actions to address housing

challenges.

AP-80 Colonias Actions - 91.320(j)

Introduction

A qualified Colonias is a rural community with a population of 25,000 or less located within 150 miles of the US-Mexico border that has been designated as a Colonias by the county or municipality due to:

- Lack of potable water;
- Lack of adequate sewage systems;
- Lack of decent, safe and sanitary housing; and
- Has been in existence as a Colonias prior to November 1990.

Many Colonias in New Mexico are not units of local government. As such, these communities do not have the capacity to apply for and implement funding on their own accord. County and local governments that contain Colonias communities are able to apply for funding that can be directed towards needs in these communities.

DFA will target regular CDBG funds for Colonias communities to help ensure that low-income households have access to adequate infrastructure and services. As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure. County and local governments will be able to apply for funds that will be directed to serve the needs of Colonias.

Actions planned to address obstacles to meeting underserved needs

The greatest obstacle to meeting underserved need in the Colonias is the lack of capacity to apply for and implement funding. In order to meet the needs of Colonias, the State will call upon cities, counties and other eligible entities to assist in aligning and administering funds. These eligible entities will be able to apply for funds that will be directed to serve the needs of Colonias.

Actions the state plans to take to reduce the number of poverty-level families

Colonias communities have a high concentration of low-income households as well as a variety of infrastructure and public service needs. DFA will set aside regular CDBG funds for Colonias to help ensure that low-income households have access to adequate infrastructure and services.

As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure.

Actions the state plans to take to develop the institutional structure

In order to facilitate a system that will meet the needs of the Colonias, the State will work with cities and counties that contain Colonias communities to administer funding. This will develop the responsiveness of the counties to meet the needs of the Colonias.

Specific actions the state plans to take to enhance coordination between public and private housing and social service agencies

MFA will prioritize funding to entities (public, for-profit private and non-profit private) that serve those of lower incomes and coordinate and leverage services and resources.

Discussion

DFA will target 10 percent of its regular CDBG allocation for Colonias communities to help ensure that low-income households have access to adequate infrastructure and services. As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure.

AP-85 Other Actions - 91.320(j)

Introduction

The greatest obstacle to meeting underserved needs in New Mexico is the lack of funding. The need is far greater than the supply. The State will continue to seek additional sources of funding to expand the scope of activities and implement other improvements as described below.

Actions planned to address obstacles to meeting underserved needs

In New Mexico, some communities outside of the metropolitan areas lack service providers to administer a full range of affordable housing and infrastructure improvement programs. Partners often request resources and training to build capacity in addressing local needs. DFA and MFA allocate and prioritize funds for underserved areas. MFA will seek additional funds, leverage resources when possible, and ensure funds that are available are used efficiently. As part of program management, MFA and DFA will provide training workshops during the year and technical assistance on a one-to-one basis to organizations working in underserved areas. Additionally, MFA and DFA will use funds, if available, to provide capacity building via training, operational funding and awards of federal funds.

Actions planned to foster and maintain affordable housing

MFA continues to fund efforts to create and maintain affordable housing through dedicating HOME and HTF funds to rental development, single-family development combined with homeownership assistance and rehabilitation of owner-occupied housing.

Actions planned to reduce lead-based paint hazards

MFA and DFA will continue to meet all applicable HUD lead-based paint abatement standards in its CDBG, HOME and HTF rehabilitation programs. Through financing new construction of rental units under its HOME and HTF programs, MFA will continue to expand the stock of lead-safe housing units. MFA will also continue to train 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 addition, continue to seek funding as it becomes available to provide training, educational awareness, testing and abatement of lead-based paint hazards.

Actions planned to reduce the number of poverty-level families

In creating additional affordable housing options and community development opportunities throughout the State, MFA will be a part of the larger network that supports families on the road to self-sufficiency. The State has a variety of programs available to poverty-level families, and the funds administered in this Plan will continue to support efforts to create affordable housing, suitable living environments and economic opportunities for those households. MFA will continue to coordinate and collaborate with other Participating Jurisdictions (PJs) to focus efforts in assisting those with the most

need.

Actions planned to develop institutional structure

MFA plans on holding bi-annual housing summits which bring providers across the full housing continuum to include private, public and social service agencies. This summit is the leading housing summit in the State and serves as a venue to coordinate and collaborate on housing programs and services. Additionally, MFA regularly holds meetings on various programs to get feedback on how programs can be improved and to highlight best practices among providers. MFA continues hybrid training and outreach opportunities to maximize information to potential service providers.

Actions planned to enhance coordination between public and private housing and social service agencies

As part of its biennial Housing Summit, MFA will bring together both public, private housing and social service agencies to collaborate and participate in workshops together. The 2022 Housing Summit was held in September 2022 and was a huge collaboration success with an increase of valuable participants and stakeholders as a sold-out event. The next Housing Summit is scheduled for fall of 2025. Which will also include sessions on the newest committee and association of statewide housing strategy.

Discussion

New Mexico lacks funding to meet all needs of underserved populations, the State is committed to seeking additional funding and implementing further improvements.

0

AP-90 Program Specific Requirements – 91.320(k)(1,2,3) Introduction

1. The amount of urgent need activities

In implementation of programs and activities under the 2024 Action Plan, MFA and DFA will follow all HUD regulations concerning the use of program income, forms of investment, overall low and moderate income benefit for the CDBG program, recapture requirements for the HOME program, ESG performance standards, HOPWA project goals and HTF evaluation criteria. MFA certifies that it will pursue all resources indicated in this Plan and will not willingly or knowingly hinder the implementation of any planned activities. Grant specific CDBG, HOME, ESG, HOPWA and HTF requirements are addressed on the following pages.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Other CDBG Requirements	
Total Program Income:	0
5. The amount of income from float-funded activities	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
3. The amount of surplus funds from urban renewal settlements	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0

2. The estimated percentage of CDBG funds that will be used for activities that
benefit persons of low and moderate income. Overall Benefit - A consecutive
period of one, two or three years may be used to determine that a minimum
70.00%
overall benefit of 70 percent of CDBG funds is used to benefit persons of low and
moderate income. Specify the years covered that include this Annual Action Plan.

Years covered: 2020-2024

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME funding is not being used for any form of investment other than those identified in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

MFA's recapture and affordability guidelines are included in the Grantee Unique Appendices.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

MFA's recapture and affordability are included in the Grantee Unique Appendices.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

MFA may, at its discretion, use HOME funds for refinancing only when needed in order to permit or continue affordability of rental units when rehabilitation is the primary activity. Rehabilitation expenditures must be at least \$7,100 per unit being rehabilitated, indexed annually for inflation. Such investments are permitted to maintain current affordable units, create additional affordable units, or both. MFA's underwriting standards for an initial investment of HOME funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with market and review of total development costs and sources available to meet these needs. In addition, MFA will review management practices to demonstrate that disinvestment in the property has not occurred, that the long-term needs of the

project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated. The required period of affordability will be at least fifteen years. HOME funds for this purpose may be used statewide. However, HOME funds cannot be used to refinance multifamily loans made or insured by any federal program. Any unpaid balance of these loans is due in full at maturity or upon the sale or transfer to an ineligible party.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

MFA's ESG written standards can be found in the Grantee Unique Appendices.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The New Mexico Coalition to End Homelessness (NMCEH) launched a statewide coordinated assessment project, and the New Mexico Coordinated Entry System (NMCES), has identified and assessed over 75,000 individuals since then. The NMCES uses the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. Assessments are done at the NMCEH as well as CoC- and ESG-funded agencies, health centers, veteran programs, in correctional facilities and during street outreach. The majority of MFA's RR/HP and EHAP providers are trained in the use of NMCES. Ongoing training for new staff members and new agencies is conducted yearly; domestic violence service providers may elect not to use the NMCES.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Regular ESG funds are currently available to subrecipients through a competitive RFP process. Nonprofit 501(c)(3) organizations are eligible to apply. Selected subrecipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services

funded under ESG.

This requirement does not apply to states.

5. Describe performance standards for evaluating ESG.

MFA's performance standards include placement of homeless individuals into permanent housing, services provided, individuals assisted and efficient utilization of funds. General performance standards are being reported, such as the unduplicated number of persons or households prevented from becoming homeless and the unduplicated number of those exiting homeless shelters into permanent housing.

Housing Opportunities for Persons with AIDS (HOPWA) Project Sponsors

HOPWA funding is allocated to project sponsors based upon a competitive Request for Proposals (RFP) including a renewal option. Further, MFA and the City of Albuquerque have signed a Memorandum of Understanding that allows for MFA to administer the City of Albuquerque's HOPWA allocation. MFA issued an RFP for funding for both the City of Albuquerque allocation and the New Mexico non-entitlement allocation, and service providers were awarded one-year contracts with the option to renew for two additional years. The HOPWA one-year goals are described in AP-20 and AP-70.

Service providers establish waitlist policies for households eligible for assistance. The policy may be unique to individual providers but should include the following:

- Definition and purpose of waitlist policy (to include equitable process for all households)
- Process of determining eligibility and priority level for waitlist
- Process of updating waitlist
 - a) Notifying case managers of open slot on waitlist
 - b) Factors that can lead to a household being removed from waitlist.

Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)

- 1. How will the grantee distribute its HTF funds? Select all that apply:
 - Applications submitted by eligible recipients
 - □ Subgrantees that are State Agencies

□ Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies

and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

If distributing HTF funds by selecting applications submitted by eligible recipients:
 a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible recipients include nonprofit entities, for-profit entities, public housing agencies and tribally designated housing entities. Participating recipients must be approved by MFA and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of 24 CFR 93.200. To be eligible to receive HTF assistance:

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.
- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds during its most recent fiscal year and its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);

- If referenced in audit as a separate communication, no submission of management; response letter and management response to concerns noted in the management letter; and
- If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - o Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out HTF funded projects must also evidence good standing in the System for Award Management (SAM) (<u>https://www.sam.gov</u>).

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Entities seeking HTF dollars for eligible projects may submit MFA's Rental Development Project Application to MFA, which is posted on MFA's website.

Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in-order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. All applications submitted by the deadline for a particular MFA Board of Directors meeting will be treated as one funding round and evaluated concurrently. Subject to fund availability, final funding decisions will be made by MFA's Board of Directors. If sufficient funds are not available to fund all applications that meet the requirements outlined in this NOFA, the application receiving the highest score will be recommended to the MFA Board of Directors for approval, followed by the next highest scoring application, etc., until the remaining funds are no longer sufficient to fulfill the next highest scoring application's requested loan amount.

If funds remain following the initial funding round, MFA will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Application forms will be provided electronically and may be downloaded from MFA's website at http://www.housingnm.org/developers.

At a minimum, applications will require information on the following:

- Applicant's development capacity and experience
- Applicant's financial condition
- Capacity and experience of all other members of the development team
- Development cost budget
- Proposed sources of financing
- Unit mix and projected rents
- Operating cost budget
- Cash flow projection
- Narrative description of the project
- Architectural plans

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All projects must meet the following threshold criteria:

- HTF-assisted units must provide permanent rental housing for ELI families
- HTF-assisted units must remain affordable to ELI families for at least 30 years
- The applicant must certify that HTF-assisted units will comply with all HTF requirements
- The project must be financially feasible
- HTF-assisted rehabilitation projects must comply with the rehabilitation standards found in the 2024 HTF Allocation Plan in the Grantee Unique Appendices.
- The project must include at least four (4) rental units.

All projects that meet the threshold criteria will be evaluated according to the following criteria:

Scoring Criteria	Points
Geographic diversity	

No other Low Income Housing Tax Credit, public housing, or federally-subsidized housing projects within:	3 or 5
• ¼ mile radius = 3 points	
• ½ mile radius = 5 points	
Duration of the affordability period beyond the required 30 years	5
Projects committed to an additional five or more years	
Energy efficiency	
Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards	5
Organization type	
Developer/general partner is a New Mexico nonprofit organization, a Tribal Designated Housing Entity (TDHE), or a public housing authority	5
Absence of project-based rental assistance	5
Projects without project-based rental assistance or projects that have or will have project-based rental assistance covering less than or equal to 25% of the total units	
Transit-oriented development	10
Projects within 1/2-mile walking distance of public transportation	
Public transportation must be established and provided on a fixed route with scheduled service. Alternative forms of transportation may be acceptable, provided sufficient documentation is submitted that establishes the alternative form of transportation is acceptable to MFA. A future promise to provide service does not satisfy this scoring criterion.	
Tribal or Rural location	10
Tribal or Rural Housing projects, defined as follows:	
A. Tribal – Projects located on tribal lands, or	
B. Rural – Projects located outside of the boundaries of Bernalillo County, the City of Rio Rancho, the City of Las Cruces, the City of Santa Fe, the City of Farmington or the City of Roswell.	

	Up to 10
Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market-rate units	
Examples:	
 New construction of 4 new units (minimum project size) consisting of 3 market rate units and 1 ELI unit = 1 point 	
• Adaptive reuse of a hotel into 30 units consisting of 10 market rate units, 10 units at 50% AMI, and 10 ELI units = 10 points	
Each new ELI unit = 1 points (Capped at 10 points)	
Readiness	Up to 20
Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner	
Projects that have	
(1) evidence of site control =5 points	
(2) evidence that the current zoning of the proposed site does not prohibit multifamily housing = 5 points	
(3) evidence of all other non-MFA funding sources	
a.) letters of interest from all other non-MFA funding $= 5$ points	
b.) commitment letters from all other non-MFA funding sources = 10 points	
Leverage	Up to 20
Use of state, local and private funding sources	
Projects that have funding sources outside of federal funding sources, low- income housing tax credits, bond financing, and MFA funding sources, as follows:	
10% of HTF funds requested = 4 points	
20% of HTF funds requested = 8 points	

30% of HTF funds requested = 12 points	
40% of HTF funds requested = 16 points	
50% of HTF funds requested = 20 points	
 Extent to which the project meets any of the following priority housing needs identified in the NM Consolidated Plan: housing for the elderly and frail elderly, housing for persons with severe mental illness, housing for persons with disabilities, housing for persons with alcohol or other addictions, housing for persons with HIV/AIDS, housing for victims of domestic violence, housing for individuals or households experiencing homelessness, as follows: 10% of HTF units targeted to any priority housing need = 4 points 20% of HTF units targeted to any priority housing need = 8 points 30% of HTF units targeted to any priority housing need = 12 points 40% of HTF units targeted to any priority housing need = 16 points 50% of HTF units targeted to any priority housing need = 20 points 	Up to 20
Total Possible Points = 115	
Minimum Points Required = 40	

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the Consolidated Plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Points within this scoring criterion are given based on the project's distance from another Low Income Housing Tax Credit, public housing, or federally-subsidized housing project. This scoring criterion falls within the Low Priority category.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner is awarded points based on the following readiness criteria:

(1) Evidence of site control

(2) Evidence that the current zoning of the proposed site does not prohibit multifamily housing

(3) Evidence of all other non-MFA funding sources, such as:

- a. Letters of interest from all other non-MFA funding
- b. Commitment letters from all other non-MFA funding sources

This scoring criterion falls within the High Priority category.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants are awarded points for projects that either do not have project-based rental assistance or projects that have or will have project-based rental assistance cover less than or equal to 25 percent of the total units. This scoring criterion falls within the Low Priority category.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants are awarded points if the duration of the affordability period beyond the required 30 years is an additional five (5) years or more. This scoring criterion falls within the Low Priority category.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

One of the State's priority housing needs, as described in SP-25, is to preserve and develop affordable housing. Applications selected to receive HTF funding will meet this priority housing need and will specifically fulfill the State's goal, associated with that priority need, of developing housing for vulnerable populations.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants whose projects have funding sources outside of federal funding sources, Low Income Housing Tax Credits, bond financing and MFA funding sources are awarded points.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

[X] Yes [] No [] N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

[X] Yes [] No [] N/A

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

[X] Yes [] No [] N/A

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

MFA will use the maximum per-unit subsidy limits for HUD's HOME program in effect at the time of commitment of HTF funds.

MFA examined the development cost budgets of recent MFA-funded projects and determined that all were well within these subsidy limits, and that these limits would allow cost premiums that may be necessary in developing housing for certain ELI populations.

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

See attached *HTF Allocation Plan* in the Grantee Unique Appendices for the HTF rehabilitation standards.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

11. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its Consolidated Plan or Annual Action Plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

HTF applicants are permitted to limit occupancy to or provide preference to the following populations in accordance with 24 CFR 93.303(d):

• Households or individuals experiencing homelessness;

- Individuals with disabilities;
- Individuals with severe mental illnesses;
- Individuals with alcohol or other addictions;
- Individuals with HIV/AIDS;
- Victims of domestic violence;
- Senior housing;
- Veterans;
- Individuals on public housing waiting lists;
- Youth transitioning out of foster care; and
- Ex-offenders

While not required to limit occupancy or provide preference to the populations described above, owners of HTF-assisted projects who do must do so in accordance with 24 CFR 93.303(d). The intent is merely to allow owners of HTF-assisted projects to limit occupancy to or provide preference to populations identified within this section as well as the priority housing needs identified in the New Mexico Consolidated Plan. Any limitation or preference must not violate nondiscrimination requirements. Federal fair housing requirements, including the duty to affirmatively further fair housing, are applicable to the HTF program. A limitation does not violate nondiscrimination requirements if the project also receives funding from a federal program that limits eligibility to a particular segment of the population (e.g. Housing Opportunity for Persons Living with AIDS program, the Section 202 and Section 811 programs) or the Housing for Older Persons Act.

12. **Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

MFA may, at its discretion, use HTF funds for refinancing only when needed in order to permit or continue affordability of rental units when (1) rehabilitation is the primary activity, (2) the use of HTF funds is proportional to the number of HTF-assisted units in the project, and (3) the rehabilitation cost attributable to the HTF units is greater than the amount of debt to be refinanced that is attributed to the HTF units. To ensure that refinancing of existing debt with HTF funds meets the requirements of 24 CFR 93.201(b)(1), the rehabilitation cost proportional to the number of HTF-assisted units in the rental project must be greater than the amount of refinanced debt proportional to the number of HTF-assisted units. Rehabilitation expenditures must be at least \$7,100 per unit being rehabilitated, indexed annually for inflation. MFA's minimum affordability period and underwriting standards for an initial investment of HTF funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with the market and review of total development costs and sources available to meet these needs. HTF funds for this purpose may be used statewide.

Discussion:

Please view the HTF Allocation Plan in the Grantee Unique Appendices.

Data Sources

1	Data Source Name		
	2012-2016 ACS 5-Yr Estimates		
	List the name of the organization or individual who originated the data set.		
	US Census Bureau		
	US Census Bureau		
	Provide a brief summary of the data set. The American Community Survey (ACS) is an ongoing survey that provides data every year giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.		
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	What was the purpose for developing this data set?		
	Information from the ACS helps determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.		
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?		
	The State of New Mexico		
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?		
	2012-2016 ACS 5-Year Estimates		
	What is the status of the data set (complete, in progress, or planned)?		
	Complete		
2	Data Source Name		
	2011-2015 CHAS		
	List the name of the organization or individual who originated the data set.		
	US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)		

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	Provide a brief summary of the data set.			
	Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.			
What was the purpose for developing this data set?				
	The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.			
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?			
	The State of New Mexico			
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?			
	2011-2015 CHAS			
	What is the status of the data set (complete, in progress, or planned)?			
	Complete			
3	Data Source Name			
	2000 Census, 2012-2016 ACS			
	List the name of the organization or individual who originated the data set.			
	US Census Bureau			

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Provide a brief summary of the data set.

The US Census 2000 contains detailed tables presenting data for the United States, 50 states, the District of Columbia and Puerto Rico focusing on age, sex, households, families, and housing units. These tables provide in-depth figures by race and ethnicity.

The American Community Survey (ACS) is an ongoing survey that provides data every year – giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.

What was the purpose for developing this data set?

Census information affects the numbers of seats a state occupies in the U.S. House of Representatives. An accurate count of residents can also benefit the community. The information the census collects helps to determine how more than \$400 billion dollars of federal funding each year is spent on infrastructure and services. Among other things, Census data is used to advocate for causes, rescue disaster victims, prevent diseases, research markets, locate pools of skilled workers and more.

ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.

How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?

The State of New Mexico

What time period (provide the year, and optionally month, or month and day) is covered by this data set?

2000 Census

2012-2016 ACS 5-Year Estimates

What is the status of the data set (complete, in progress, or planned)?

Complete

L	ist the name of the organization or individual who originated the data set.
	2011-2015 ACS and 2015 Longitudinal Employee-Household Dynamics: United States Census Bureau
F	Provide a brief summary of the data set.
۶ ۱ ۲	The American Community Survey (ACS) is an ongoing survey that provides data every year giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion rederal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.
E	The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.
١	What was the purpose for developing this data set?
	ACS: Information from the ACS help determine how more than \$400 billion in federal and stat funds are distributed each year to help communities, state governments, and federal program
C F a	LEHD: Information from the LEHD helps state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, an obs with state-of-the-art confidentiality protections and no additional data collection burden
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
٦	The State of New Mexico

	What time period (provide the year, and optionally month, or month and day) is covered by this data set?			
	2011-2015 ACS (Workers), 2015 LEHD (Jobs)			
	What is the status of the data set (complete, in progress, or planned)?			
	Complete			
5	Data Source Name			
	2018 CoC PIT			
	List the name of the organization or individual who originated the data set.			
The City of Albuquerque CoC and the Balance of State CoC.				
Provide a brief summary of the data set.				
	The Point-in-Time (PIT) count is data on the number of sheltered and unsheltered people and their characteristics experiencing homelessness on a given night as reported by the Continuums of Care.			
	What was the purpose for developing this data set?			
	To identify the number and characteristics of homeless individuals and families on a given night in the state to assess the available resources and inform the CoCs of program needs.			
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?			
	The State of New Mexico is covered by the City of Albuquerque CoC and the Balance of State CoC.			
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?			
	January 2018			
	What is the status of the data set (complete, in progress, or planned)?			
	Complete			

6	Data Source Name		
	NM HIV Surveillance & Epidemiology Program, 2016 Annual Report		
	List the name of the organization or individual who originated the data set.		
	New Mexico Department of Health		
	Provide a brief summary of the data set.		
	The New Mexico Department of Health's HIV Surveillance & Epidemiology Program collects, analyzes, and disseminates surveillance data on HIV infection in New Mexico. This data is collected into an HIV surveillance annual report and includes HIV infection population counts, characteristics, regional impacts and yearly trends.		
	What was the purpose for developing this data set?		
	The annual surveillance report summarizes information about diagnosed HIV infections of which this information is used by the New Mexico Department of Health's partners including other agencies, health departments, nonprofits, academic institutions and healthcare providers to help optimize efforts, plan services, allocate resources, develop policy and monitor trends in HIV infection.		
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?		
	The State of New Mexico		
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?		
	2016		
	What is the status of the data set (complete, in progress, or planned)?		
	Complete		
7	Data Source Name		
	2018 HOPWA CAPER		

List the name of the organization or individual who originated the data set.			
MFA Community Development Department			
Provide a brief summary of the data set.			
The 2018 HOPWA CAPER is an annual report providing program accomplishments for serving persons with HIV/AIDS and is part of the 2018 Consolidated Annual Performance and Evaluation Report that is submitted to HUD 90 days following the end of the program year. The HOPWA CAPER provides beneficiary counts and demographic and economic characteristics.			
What was the purpose for developing this data set?			
The 2018 HOPWA CAPER provides annual information on program accomplishments that supports program evaluation and the ability to measure program beneficiary outcomes as related to maintaining housing stability, prevent homelessness and improve access to care and support for persons with HIV/AIDS.			
How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The State of New Mexico What time period (provide the year, and optionally month, or month and day) is covered by this data set?			
		2018	
What is the status of the data set (complete, in progress, or planned)?			
Complete			
Data Source Name			
HUD 2019 Fair Market Rents (FMR)			
List the name of the organization or individual who originated the data set.			
US Department of Housing and Urban Development (HUD)			

	Provide a brief summary of the data set.
	Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county. FMRs are displayed for efficiency (studio), 1-bedroom, 2-bedroom, 3-bedroom and 4-bedroom units by local counties as there is no statewide FMR.
	What was the purpose for developing this data set?
	Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs such as HOME.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2019
	What is the status of the data set (complete, in progress, or planned)?
	Complete
9	Data Source Name
	HUD 2018 CoC Homeless Assistance Programs, Housing Inventory Count Report
	List the name of the organization or individual who originated the data set.
	This data is provided to HUD by the two CoCs in New Mexico: Albuquerque CoC and the New Mexico Balance of State CoC.
	Provide a brief summary of the data set.
	The CoC Homeless Assistance Programs, Housing Inventory Count (HIC) Report is a count of all the emergency shelter beds, transitional housing beds and permanent supportive housing beds in the state.

What was the purpose for developing this data set?

HIC counts provide a snapshot of the homeless housing inventory in the state. The HIC reports from each CoC tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing.

How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?

The State of New Mexico

What time period (provide the year, and optionally month, or month and day) is covered by this data set?

2018

What is the status of the data set (complete, in progress, or planned)?

Complete

- Part A: Notice of Public Hearings
- Part B: Publication Affidavit
- Part C: Citizen Participation Plan
- Part D: Housing Trust Fund Allocation Plan
- Part E: Design Standards
- Part F: HOME Recapture Affordability Guidelines
- Part G: ESG Written Standards
- Part H: Draft Annual Action Plan (Narratives)

PART A

NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD

FOR THE DRAFT 2024 ANNUAL ACTION PLAN

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024, and end on April 18, 2024. A hybrid virtual and in-person public hearing will be held on April 15, 2024, at 10:00 a.m. The action plan governs federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homelessness prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA.

The draft 2024 Annual Action Plan is available on MFA's website at: https://housingnm.org/resources/plans-and-reports/nm-annual-action-plan

and on DFA's website at:

https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/

If you are unable to download the draft Action Plan, please contact MFA to request a copy (505-843-6880 or toll free 1-800-444-6880). Additionally, the documents may be provided in alternative formats (i.e., Braille/large print, audio tape) for the disabled and may be translated into Spanish for Limited English Proficient (LEP) Spanish speaking persons, upon request.

Citizens, interested agencies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 15, 2024, at 10:00 a.m. via webcast at <u>https://housingnm.org/meetings-events-notices</u> or in person at MFA's office to provide comments.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service, please contact MFA toll free 1-800-444-6880; fax: 505-243-3289; e-mail: <u>sstephens@housingnm.org</u> TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. Accommodations can be made within 48 hours notice for non-English speaking participants and individuals with disabilities by calling 505-843-6880.

Citizens, interested agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period. Written comments and/or questions may be directed to Sherry Stephens 505-767-2250 or toll free 1-800-444-6880; fax: 505-243-3289; e-mail: <u>sstephens@housingnm.org;</u> or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. After receipt of public comments, MFA staff will prepare a summary of all comments received in writing and, in cases where any citizen views are not accepted, provide reasons for the decision. This documentation will be submitted to HUD.

ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS

PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL PARA 2024

La Autoridad de Financiamiento Hipotecario de Nuevo México (MFA, por sus siglas en inglés) y la División de Gobierno Local (DFA, por sus siglas en inglés) del Departamento de Finanzas y Administración están solicitando comentarios públicos sobre la propuesta del Borrador del Plan de Acción Anual 2024. El período de comentarios públicos comenzará el 18 de marzo de 2024 y finalizará el 18 de abril de 2024. El 15 de abril de 2024 a las 10:00 a.m. se llevará a cabo una audiencia pública híbrida virtual y presencial. El plan de acción rige los fondos federales asignados para actividades de vivienda y desarrollo comunitario que benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo México.

Estos fondos federales incluyen los siguientes programas: Asociaciones de Inversión HOME (HOME), Subvención en Bloque para el Desarrollo Comunitario (CDBG), Subvenciones para Soluciones de Emergencia (ESG), Oportunidades de Vivienda para Personas con SIDA (HOPWA) y Fondo Fiduciario de Vivienda (HTF). El Plan de Acción Anual 2024 describe los objetivos de un año para el período que comienza el 1 de julio de 2024 y finaliza el 30 de junio de 2025. Estos fondos se pueden utilizar para actividades que incluyen, entre otras, instalaciones públicas, mejoras de infraestructura, desarrollo o preservación de viviendas asequibles, desarrollo económico, prevención de la falta de vivienda, realojamiento rápido y administración de programas. Los programas HOME, ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA.

El borrador del Plan de Acción Anual 2024 está disponible en el sitio web del Ministerio de Asuntos Exteriores en: https://housingnm.org/resources/plans-and-reports/nm-annual-action-plan

y en el sitio web de DFA en:

https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/

Si no puede descargar el borrador del Plan de Acción, comuníquese con MFA para solicitar una copia (505-843-6880 o al número gratuito 1-800-444-6880). Además, los documentos pueden proporcionarse en formatos alternativos (es decir, Braille/letra grande, cinta de audio) para las personas discapacitadas y pueden traducirse al español para personas de habla hispana con dominio limitado del inglés (LEP), previa solicitud.

Los ciudadanos, las agencias interesadas y las organizaciones con y sin fines de lucro pueden asistir a una audiencia pública virtual o en persona el 15 de abril de 2024 a las 10:00 a.m. a través de una transmisión por Internet en <u>https://housingnm.org/meetings-events-notices</u> o en persona en la oficina de MFA para proporcionar comentarios.

Si usted es una persona con una discapacidad que necesita un lector, amplificador, intérprete calificado de lenguaje de señas o cualquier otra forma de ayuda o servicio auxiliar, comuníquese con MFA al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: <u>sstephens@housingnm.org</u> TTY: 1-800-659-8331 para inglés y 1-800-327-1857 para español; o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México, 344 Fourth St. SW, Albuquerque, NM 87102. Las adaptaciones se pueden hacer dentro de las 48 horas de anticipación para los participantes que no hablan inglés y las personas con discapacidades llamando al 505-843-6880.

Los ciudadanos, las agencias interesadas y las organizaciones con y sin fines de lucro pueden proporcionar comentarios en cualquier momento durante el período de comentarios públicos. Los comentarios y/o preguntas por escrito pueden dirigirse a Sherry Stephens al 505-767-2250 o al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: <u>sstephens@housingnm.org;</u> o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México, 344 Fourth St. SW, Albuquerque, NM 87102. Después de recibir los comentarios del público, el personal del Ministerio de Asuntos Exteriores preparará un resumen de todos los comentarios recibidos por escrito y, en los casos en que no se acepten las opiniones de los ciudadanos, proporcionará las razones de la decisión. Esta documentación será presentada a HUD.

PART B



NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD

FOR THE DRAFT 2024 ANNUAL ACTION PLAN

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024, and end on April 18, 2024. A hybrid virtual and in-person public hearing will be held on April 15, 2024, at 10:00 a.m. The action plan governs federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homeless prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA.

The draft 2024 Annual Action Plan is available on MFA's website at:

https://housingnm.org/resources/plans-and-reports/nmannual-action-plan

and on DFA's website at: https://www.nmdfa.state.nm.us/local-government/ community-development-bureau/new-mexico-action-plan/

If you are unable to download the draft Action Plan, please contact MFA to request a copy (505-843-6880 or toll free 1-800-444-6880). Additionally, the documents may be provided in alternative formats (i.e., Braille/large print, audio tape) for the disabled and may be translated into Spanish for Limited English Proficient (LEP) Spanish speaking persons, upon request.

Citizens, interested agencies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 15, 2024, at 10:00 a.m. via webcast at https://fhousingnm. org/meetings-events-notices or in person at MFA's office to provide comments.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service, please contact MFA toll free 1-800-444-6880; fax: 505-243-3289; e-mail: sstephens@housingnm.org TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance Autority, 344 Fourth St. SW, Albuquerque, NM 87102. Accommodations can be made within 48 hours notice for non-English speaking participants and individuals with disabilities by calling 505-843-6880.

Citizens, interested agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period. Written comments and/or questions may be directed to Sherry Stephens 505-767-2250 or toll free 1-800-444-6880; fax: 505-243-3289; e-mail: sstephens@housingnm. org; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. After receipt of public comments, MFA staff will prepare a summary of all comments received in writing and, in cases where any citizen views are not accepted, provide reasons for the decision. This documentation will be submitted to HUD.

ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL PARA 2024

La Autoridad de Financiamiento Hipotecario de Nuevo México (MFA, por sus siglas en inglés) y la División de Gobierno Local (DFA, por sus siglas en inglés) del Departamento de Finanzas y Administración están solicitando comentarios públicos sobre la propuesta del Borrador del Plan de Acción Anual 2024. El período de comentarios públicos comenzará el 18 de marzo de 2024 y finalizará el 18 de abril de 2024. El 15 de abril de 2024 a las 10:00 a.m. se llevará a cabo una audiencia pública híbrida virtual y presencial. El plan de acción rige los fondos iederales asignados para actividades de vivienda y desarrollo comunitario que benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo México.

ciaciones de Inversión HOME (HOME), Subvención en Bloque para el Desarrollo Comunitario (CDBG), Subvenciones para Soluciones de Emergencia (ESG), Oportunidades de Vivienda para Personas con SIDA (HOPWA) y Fondo Fiduciario de Vivienda (HTF). El Plan de Acción Anual 2024 describe los objetivos de un año para el período que comienza el 1 de julio de 2024 y finaliza el 30 de junio de 2025. Estos fondos se pueden utilizar para actividades que incluyen, entre otras, instalaciones públicas, mejoras de infraestructura, desarrollo o preservación de viviendas asequibles, desarrollo económico, prevención de la falta de vivienda, realojamiento rápido y administración de programas. Los programas HOME, ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA.

El borrador del Plan de Acción Anual 2024 está disponible en el sitio web del Ministerio de Asuntos Exteriores en: https://housingnm.org/resources/plans-and-reports/nmannual-action-plan

y en el sitio web de DFA en: https://www.nmdfa.state.nm.us/local-government/ community-development-bureau/new-mexico-action-plan/

Si no puede descargar el borrador del Plan de Acción, comuníquese con MFA para solicitar una copia (505-B43-6880 o al número gratuito 1-800-444-6880). Además, los documentos pueden proporcionarse en formatos alternativos (es decir, B raille/letra grande, cinta de audio) para las personas discapacitadas y pueden traducirse al español para personas de habla hispana con dominio limitado del inglés (LEP), previa solicitud.

Los ciudadanos, las agencias interesadas y las organizaciones con y sin fines de lucro pueden asistir a una audiencia pública virtual o en persona el 15 de abril de 2024 a las 10:00 a.m. a través de una transmisión por Internet en https://housingnm. org/meetings-events-notices o en persona en la oficina de MFA para proporcionar comentarios.

Si usted es una persona con una discapacidad que necesita un lector, amplificador, interprete calificado de lenguaje de señas o cualquier otra forma de ayuda o servicio auviliar, comuníquese con MFA al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: sstephens@housingnm.org TTY: 1-800-659-8331 para inglés y 1-800-327-1857 para español; o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México, 344 Fourth St. SW, Albuquerque, NM 87102. Las adaptaciones se pueden hacer dentro de las 48 horas de anticipación para los participantes que no hablan inglés y las personas con discapacidades llamando al 505-843-6880.

Los ciudadanos, las agencias interesadas y las organizaciones con y sin fines de lucro pueden proporcionar comentarios en cualquier momento durante el período de comentarios públicos. Los comentarios y/o preguntas por escrito pueden dirigirse a Sherry Stephens al 505-767-2250 o al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: sstephens@housingnm.org; o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México, 344 Fourth St. SW, Albuquerque, NM 87102. Después de recibir los comen-tarios del público, el personal del Ministerio de Asuntos Exteriores preparará un resumen de todos los comentarios recibidos por escrito y, en los casos en que no se acepten las opiniones de los ciudadanos, proporcionará las razones de la decisión. Esta documentación será presentada a HUD.

Journal: March 18, 2024

AFFIDAVIT OF PUBLICATION

COUNTIES OF SAN MIGUEL and MORA, STATE OF NEW MEXICO } ss.

Phil Scherer, Editor, being first duly sworn, on oath states that he is a Manager of the Las Vegas Optic, a semi-weekly newspaper of general paid and general circulation in San Miguel and Mora Counties, New Mexico, and that this newspaper is duly gualified to publish legal notices or advertisements within the meaning of the provisions of Chapter 167, session Laws of 1937, and that payment therefor has been made and assessed as court costs. That the notice of which a copy as published is hereto attached and hereby made a part hereof was published in said newspaper once each week for 1 consecutive insertion(s). That the first publication being on the 15th day of March 2024 and the subsequent consecutive publications on the n/a day(s) of 2024.

Price: \$ 286.15

Account Number: 32516

State of New Mexico, County of San Miguel Signed and sworn to before me on this 15th day of March 2024 by **Phillip Scherer, Editor**.

Notary Public



NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD FOR THE DRAFT 2024 ANNUAL ACTION PLAN

New Mexico Mortgage Finance Authority (MFA) the and Department of Finance Administration, and Government Local Division (DFA) are seeking public comment the on proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024, and end on April 18, 2024. A hybrid virtual and in-person public hearing will be held on April 15, 2024, at 10:00 a.m. The action plan governs federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico. This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing for Opportunities Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities including but not limited

to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homeless prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA. and CDBG program is administered by DFA. The draft 2024 Annual Action Plan is available on MFA's website at: https://housingnm.org/re sources/plans-andreports/nm-annualaction-plan and on DFA's website at: https://www.nmdfa.state .nm.us/localgovernment/communitydevelopmentbureau/new-mexicoaction-plan/ If you are unable to download the draft Action Plan, please contact MFA to request a copy (505-843-6880 or toll free 1-800-444-6880). Additionally, the documents may be provided in alternative formats (i.e.. Braille/large print, audio tape) for the disabled and may be translated into Spanish for Limited English Proficient (LEP) Spanish speaking persons, upon request. Citizens, interested agencies, and for-profit and nonprofit organizations mav attend a virtual or inperson public hearing on April 15, 2024, at 10:00 a.m. via webcast at https://housingnm.org/m eetings-events-notices or in person at MFA's office to provide comments.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or other any form of auxiliary aid or service, please contact MFA toll 1-800-444-6880: free fax: 505-243-3289; email:

sstephens@housingnm. org TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102.

Accommodations can be made within 48 hours notice for non-English speaking participants individuals and with disabilities by calling 505-843-6880. Citizens. interested agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period. Written comments and/or questions may be directed to Sherry Stephens 505-767-2250 or toll free 1-800-444-6880: 505-243fax: 3289 e-mail: sstephens@housingnm. org; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. After receipt of public comments, MFA will staff prepare а summary of all comments received in writing and, in cases where any citizen views are not accepted, provide reasons for the decision. This documentation will be submitted to HUD.

...

ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL PARA 2024

Autoridad de La Financiamiento Hipotecario de Nuevo México (MFA, por sus siglas en inglés) y la División de Gobierno Local (DFA, por SUS siglas en inglés) del Departamento de Finanzas у Administración están solicitando comentarios públicos sobre la propuesta del Borrador del Plan de Acción Anual 2024. El período de comentarios públicos comenzará el 18 de marzo de 2024 у finalizará el 18 de abril de 2024. El 15 de abril de 2024 a las 10:00 a.m. se llevará a cabo una audiencia pública híbrida virtual у presencial. El plan de acción rige los fondos federales asignados actividades para de vivienda y desarrollo comunitario aue benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo México. Estos fondos federales

incluyen los siguientes programas: Asociaciones de

Inversión HOME (HOME), Subvención en Bloque para el Desarrollo Comunitario (CDBG), Subvenciones para Soluciones de Emergencia (ESG), Oportunidades de con SIDA (HOPWA) y Fondo Fiduciario de Vivienda (HTF), El Plan de Acción Anual 2024 describe los objetivos de un año para el período que comienza el 1 de julio de 2024 y finaliza el 30 de junio de 2025. Estos fondos se pueden utilizar para actividades que incluyen, entre instalaciones otras. públicas, mejoras de infraestructura, desarrollo 0 preservación de viviendas asequibles, desarrollo económico. prevención de la falta de vivienda, realojamiento rápido y administración programas. Los de programas HOME. ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA. El borrador del Plan de Acción Anual 2024 está disponible en el sitio web del Ministerio de Asuntos Exteriores en:

Vivienda para Personas

https://housingnm.org/re sources/plans-andreports/nm-annualaction-plan y en el sitio web de DFA en:

https://www.nmdfa.state .nm.us/local-

government/communitydevelopment-

bureau/new-mexicoaction-plan/

Si no puede descargar el borrador del Plan de Acción, comuníquese con MFA para solicitar copia (505-843una 6880 número 0 al 1-800-444gratuito 6880). Además, los documentos pueden proporcionarse en formatos alternativos decir. Braille/letra (es

grande, cinta de audio) para las personas discapacitadas y pueden traducirse al español para personas de habla hispana con dominio limitado del inglés (LEP), previa solicitud.

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llamando al 505-843-6880. Los ciudadanos, las agencias interesadas y las organizaciones con y sin fines de lucro pueden proporcionar comentarios en cualquier momento durante el período de comentarios públicos. Los comentarios y/o preguntas por escrito pueden dirigirse a Sherry Stephens al 505-767-2250 o al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: sstephens@housingnm. org; o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México, 344 Fourth St. SW, Albuquerque, NM 87102. Después de recibir los comentarios del público, el personal del Ministerio de Asuntos Exteriores preparará un resumen de todos los comentarios recibidos por escrito y, en los casos en que no se acepten las opiniones de los ciudadanos, proporcionará las razones de la decisión. Esta documentación será presentada a HUD. PUB: Las Vegas Optic, March 15, 2024 #230906

CREDITORS

having claims against

this estate of the de-

PO Box 54

COURT

THE ESTATE OF

MABEL LEYBA

Deceased

NOTICE TO

CREDITORS

NOTICE IS HEREBY

GIVEN that the un-

dersigned has been

representative of the

decedent. All persons

having claims against

this estate of the de-

cedent are required

to present their claims

within four (4) months

after the date of the first

publication of any pub-

lished notice to credi-

tors or sixty (60) days

after the date of mailing

or other delivery of this

notice, whichever is lat-

er, or the claims will be

forever barred. Claims

must be presented ei-

ther to the undersigned

personal representative

at the address listed

below, or filed with the

Probate Court of Mora

County, New Mexico,

located at the following

address: P.O. Box 580,

DATED: March 5, 2024

/s/ Wanda Martinez,

personal representative

PUB: Las Vegas Optic,

March 15, 22, 29, 2024

STATE OF

NEW MEXICO

COURT

#231540

Mora, N.M. 87732.

CR-A030 #23

Mora, NM 87732

personal

appointed

LEGALS (cont.)

/s/ Consuelo Cruz, personal representative 47 CR B011 Holman, NM 87723 PUB: Las Vegas Optic, March 8, 15, 22, 2024 #230692

SECOND JUDICIAL DISTRICT COURT COUNTY OF BERNALILLO STATE OF NEW MEXICO CHILDREN'S COURT DIVISION Cause No. D-202-SA-2023-88 IN THE MATTER OF THE ADOPTION PETITION OF **DESIREE LOPEZ** NOTICE OF PENDENCY OF ACTION

This is Notice to the natural father of Frankee Gianna L., a minor child. There is a pending adoption case in the 2nd Judicial District, D-202-SA-2023-88, In the Matter of The Adoption Petition of Desiree Lopez. At present, the natural father is unknown. and this is notice for the natural father that there is a petition to adopt the minor child. If any person objects to the lawsuit or has questions about the action, please contact the attorney listed below. Petitioner's Attorney:

/s/ Cliff McIntyre Cliff McIntyre, Esq. for Petitioner 620 Roma Avenue NW Albuquerque, NM 87102 Ph: (505) 377-7924 Fax: (505) 246-2668 PUB: Las Vegas Optic. March 8, 15, 22, 2024 #230741

County of Mora State of New Mexico **Request for Proposals Disaster** Recovery Services for Mora County **RFP No. Disaster Recovery Services** RFP may be obtained at the Mora County Manager's Office or online at www.countyofmora.com All proposals must be received by March 29, 2024 at 11:00 a.m. Mail or Hand Deliver Proposal to: **Finance Department** ATTN: Adelita Encinias. Chief Procurement Officer 1 Courthouse Drive,

PO Box 580 Mora, NM 87732 be Proposals must submitted in a sealed envelope that is clearly marked: "RFP NO. Disaster Recovery Services "DO NOT OPEN" PUB: Las Vegas Optic, March 8, 15, 22, 2024

#230886

NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD FOR THE DRAFT 2024 ANNUAL ACTION

PLAN New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024. and end on April 18. 2024. A hybrid virtual and in-person public hearing will be held on April 15, 2024, at 10:00 a.m. The action plan governs federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

federal funding This includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homeless prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA. The draft 2024 Annual Action Plan is available on MFA's website at: https://housingnm.org/ resources/plans-and-reports/nm-annual-action-

plan and on DFA's website at:

https://www.nmdfa. state.nm.us/local-government/community-development-bureau/newmexico-action-plan/

If you are unable to download the draft Action Plan, please contact MFA to request a (505-843-6880 copy or toll free 1-800-444-6880). Additionally, the documents may be provided in alternative formats (i.e., Braille/large print, audio tape) for the disabled and may be translated into Spanish for Limited English Proficient (LEP) Spanish speaking persons, upon Citizens. interested agencies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 15, 2024, at 10:00 a.m. via webcast at https://housingnm.org/meetingsevents-notices or in per-

request.

free

and

to

free

fax:

e-mail:

son at MFA's office to provide comments. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service. please contact MFA toll 1-800-444-6880; fax: 505-243-3289; email: sstephens@housingnm.org TTY: 1-800-659-8331 for English 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW. Albuquerque, NM 87102. Accommodations can be made within 48 hours notice for non-English speaking participants and individuals with disabilities by calling 505que 843-6880. interested Citizens, agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period. Written comments and/or questions may be directed Sherry Stephens 505-767-2250 or toll 1-800-444-6880: 505-243-3289 sstephens@ housingnm.org; or mail: New Mexico Mortgage

Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. After receipt of public comments, MFA staff will prepare a summary of all comments received in writing and, in cases where any citizen views are not accepted, provide reasons for the decision. This documentation will be submitted to HUD.

ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS

PÚBLICOS PARA EL PROYECTO **DE PLAN DE ACCIÓN**

ANUAL PARA 2024 La Autoridad de Financiamiento Hipotecario de Nuevo México (MFA. por sus siglas en inglés) y la División de Gobierno Local (DFA, por sus siglas en inglés) del Departamento de Finanzas v Administración están menzará el 18 de marzo de 2024 y finalizará el 18 de abril de 2024, El 15 de abril de 2024 a las 10:00 a.m. se llevará a cabo una audiencia pública híbrida virtual y presencial. El plan de acción rige los fondos federales asignados para actividades de vivienda y desarrollo comunitario que benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo

México. Estos fondos federales incluyen los siguientes programas: Asociaciones de Inversión HOME (HOME), Subvención en Bloque para el De-Comunitario sarrollo Subvencio-(CDBG), Soluciones nes para de Emergencia (ESG), Oportunidades de Vivienda para Personas con SIDA (HOPWA) y Fondo Fiduciario de Vivienda (HTF). El Plan de Acción Anual 2024 describe los objetivos de un año para el período que comienza el 1 de julio de 2024 y finaliza el 30 de junio de 2025. Estos fondos se pueden utilizar para actividades incluyen, entre otras. instalaciones públicas, mejoras de infraestructura, desarrollo o preservación de viviendas asequibles. desarrollo económico, prevención de la falta de vivienda, realojamiento rápido y administración de programas. Los programas HOME. ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA.

El borrador del Plan de Acción Anual 2024 está disponible en el sitio web del Ministerio de Asuntos Exteriores en: https://housingnm.org/ resources/plans-and-reports/nm-annual-actionplan y en el sitio web de DFA

en:

https://www.nmdfa. state.nm.us/local-government/community-development-bureau/newmexico-action-plan/

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6880.

Los ciudadanos, las agencias interesadas y las organizaciones con v sin fines de lucro pueden proporcionar comentarios en cualquier momento durante el período de comentarios públicos. Los comentarios y/o preguntas por escrito pueden dirigirse a Sherry Stephens al 505-767-2250 o al número gratuito 1-800-444-6880; fax: 505-243-3289; correo elecsstephens@ trónico: housingnm.org; o por correo: Autoridad de Financiamiento Hipotecario de Nuevo México. 344 Fourth St. SW. Albuquerque, NM 87102. Después de recibir los comentarios del público, el personal del Ministerio de Asuntos Exteriores preparará un resumen de todos los comentarios recibidos por escrito y, en los casos en que no se acepten las opiniones de los ciudadanos. proporcionará las razones de la decisión. Esta documentación será presentada a HUD.

PUB: Las Vegas Optic, March 15, 2024 #230906

AUCTION

NOTICE OF PUBLIC AUCTION WEDNES-

CHEVY IMPALA SS. VIN#: 168676R109075, \$2039.59 NO PRIOR VIEWING OF VEHICLE PUB: Las Vegas Optic, March 15, 22, 2024 #231101

STATE OF NEW MEXICO COUNTY OF SAN MIGUEL FOURTH JUDICIAL DISTRICT COURT NO. D-412-DM-2023-00092 IN THE MATTER OF THE KINSHIP **GUARDIANSHIP OF** E.S.G., minor child. AND CONCERNING Isis Lucero. Petitioner and Michaela Quintana and Silviano Gonzales. Respondents. NOTICE OF PENDENCY OF

ACTION STATE OF NEW MEXI-CO to the above-named Respondent Silviano Gonzales, GREET-INGS:

You are hereby notified that the above-named Petitioner has filed a Petition for Kinship Guardianship of Esteban Silviano Gonzales born in April 2008 in Las Vegas, San Miguel County, New Mexico, to Michaela Quintana and Silviano Gonzales.

You are further notified that unless you file a written response to the Petition by no later than thirty days from this publication with the Court Clerk, Fourth Judicial District Court, San Miguel County, New Mexico, with a copy to the Petitioner's attorney, or appear at the hearing on April 24, 2024, the Court may enter a default judgment in your

absence. Petitioner's attorney: /s/ Maranda Aguirre Maranda Aguirre Pegasus Legal Services for Children 505 Marquette Ave NW Suite 1350 NM Albuquerque, 87102 505-244-1101 PUB: Las Vegas Optic,

March 15, 22, 29, 2024

#231405

STATE OF NEW MEXICO IN THE PROBATE COURT MORA COUNTY No. 2024-010 IN THE MATTER OF THE ESTATE OF MARIA SOFIA VALDEZ Deceased

IN THE PROBATE NOTICE TO

NOTICE IS HEREBY cedent are required GIVEN that the unto present their claims dersigned has been within four (4) months appointed personal after the date of the first representative of the publication of any pubdecedent. All persons lished notice to credihaving claims against tors or sixty (60) days this estate of the deafter the date of mailing cedent are required or other delivery of this to present their claims notice, whichever is latwithin four (4) months er, or the claims will be after the date of the first forever barred. Claims publication of any pubmust be presented eilished notice to credither to the undersigned personal representative tors or sixty (60) days after the date of mailing at the address listed below, or filed with the or other delivery of this Probate Court of Mora notice, whichever is lat-County, New Mexico, er, or the claims will be located at the following forever barred. Claims address: P.O. Box 580, must be presented ei-Mora, N.M. 87732 ther to the undersigned DATED: 02/21/2024 personal representative /s/ Ivan T. Valdez, perat the address listed sonal representative below, or filed with the Probate Court of Mora Ocate, NM 87734 County, New Mexico, PUB: Las Vegas Optic, located at the following March 15, 22, 29, 2024 address: P.O. Box 580. #231491 Mora, N.M. 87732. DATED: March 5, 2024 STATE OF /s/ Eileen Chavez, per-NEW MEXICO sonal representative IN THE PROBATE MORA COUNTY No. 2024-015 IN THE MATTER OF

200 Mountain View Drive Apt H104 Las Vegas, NM 87701 PUB: Las Vegas Optic, March 15, 22, 29, 2024 #231549

PUBLIC NOTICE

Burlington Northern Santa Fe (BNSF) Railway proposes to install a 150-ft-tall communications towers in their railroad rightof-way in San Miguel County at (latitude, longitude) 35,473278. -105.229589, which will be licensed through the Federal Communications Commission (FCC). As part of its responsibilities assigned by FCC for compliance with the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA), BNSF invites the public to notify BNSF of any effects the placement of this tower may have on properties listed or eligible for listing in the National Register of Historic Places, or any concerns the public may have with regard to the potential impact the tower may have on natural and cultural resources subject to NEPA or NHPA review and consideration. Please direct your comments to Hannah Hedinger at HDR, 2139 E Primrose, Suite E, Springfield, MO 65804

solicitando comentarios públicos sobre la propuesta del Borrador del Plan de Acción Anual 2024. El período de comentarios públicos co-

Los ciudadanos, las agencias interesadas las organizaciones

NEW MEXICO STATEWI

CLASSIFIEDS

Brought to you by the New Mexico Press Association

and the Las Vegas Optic

DAY, JUNE 5, 2024, 10 A.M @ 242 COUNTY RD A6, SAPELLO, NM. The following vehicle will be sold to satisfy debt to LEONARD ROMERO, per NM State law: 1966

CREDITORS NOTICE IS HEREBY GIVEN that the undersigned has been personal appointed representative of the decedent. All persons

MORA COUNTY No. 2017-017 IN THE MATTER OF THE ESTATE OF RUDY CHAVEZ Deceased NOTICE TO

or Hannah.Hedinger@ hdrinc.com. Comments must be received within 10 days of this notice. PUB: Las Vegas Optic, March 15, 2024 #231550

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NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD FOR THE DRAFT 2024 ANNUAL ACTION PLAN New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administra-tion, Local Government Division (DFA) are seek-ing public comment on the proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024, and end on April 18, 2024, and end on April 15, 2024, and 10:00 a.m. The action plan governs federal funding appropriated for housing and community develop-ment activities that benefit low and moderate income persons throughout the State of New Mexico. This federal funding includes the following programs: HOME Invest-ment Block Grant (CDBG), Emergency Solu-tions Grants (ESG), Hous-ing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities infrastruc-ture improvements, afford-able housing development of persona development of persona developments, afford-able housing developments of programs are adminis-tration. The HOME, ESG, HOPWA and Housing Dust not limited to public facilities, infrastruc-ture improvements, afford-able housing development of programs are administered by MFA, and CDBG program is administered by DFA.

The draft 2024 Annual Action Plan is available on MFA's website at: https://housingnm.org/reso urces/plans-and-reports/nm-annual-action-plan https://housingnm.org/reso urces/plans-and-reports/nm-annual-action-plan and on DFA's website at: https://www.nmdfa.state.n m.us/local-govern-ment/community-develop-ment-bureau/new-mexico-action-plan/ If you are unable to down-load the draft Action Plan, please contact MFA to request a copy (505-843-6880) or toll free 1-800-444-6880). Additionally, the docu-ments may be provided in alternative formats (i.e., Braille/large print, audio spanish for Limited English Proficient (LEP) Spanish speaking persons, upon request. Citizens, interested agen-cies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 15, 2024, at 10:00 a.m., via webcast at https://housingnm.org/meet ings-events-notices or in person at MFA's office to provide comments. If you are an individual with a disability who is in need of a reader, ampli-fier, qualified sign language interpreter, or any other form of auxiliary aid or service, please contact MFA toll free 1-800-444-6880; fax: 505-243-3289; e-mail:

444-0680; 10A, 500-210 5227, e-mail: sstephens@housingnm.org TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance

Authority, 344 Fourth St. SW, Albuquerque, NM 87102. Accommodations can be made within 48 hours notice for non-English speaking participants and individuals with disabilities by calling 505-843-6880. Citizens, interested agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period. Written comments and/or questions may be directed to Sherry Stephens 505-767-2250 or toll free 1-800-444-6880; fax: 505-243-3289; e-mail: sstephens@housingnm.org; or mail: New Mexico Mortreceipt of public comments, MFA staff will prepare a summary of all comments received in writing and, in cases where any -citizen views-are-not accepted, provide reasons for the decision. This documentation will be submitted to HUD. AFFIDAVIT OF PUBLICATION STATE OF NEW MEXICO

Merle Alexander 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 there of for a period of:

One time with the issue dated March 15th, 2024

Legals Clerk

Sworn and subscribed to before me

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LEGALS Notice of Public Hearing... Publish March 15th, 2024 NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD FOR THE DRAFT 2024 ANNUAL ACTION PLAN New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2024 Draft Annual Action Plan. The public comment period will begin on March 18, 2024, and end on April 18, 2024. A hybrid virtual and in-person public hearing will be held on April 15, 2024, at 10:00 a.m. The action plan governs federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico. This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2024 Annual Action Plan outlines one year goals for the period beginning July 1, 2024 and ending June 30, 2025. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing devel-opment or preservation, economic development, homeless prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA. The draft 2024 Annual Action Plan is available on MFA's website at: https://housingnm.org/resources/plans-andreports/nm-annual-action-plan and on DFA's website at: https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/ If you are unable to download the draft Action Plan, please contact MFA to request a copy (505-843-6880 or toll free 1-800-444-6880). Additionally, the documents may be provided in alternative formats (i.e., Braille/large print, audio tape) for the disabled and may be translated into Spanish for Limited English Proficient (LEP) Spanish speaking persons, upon reauest. Citizens, interested agencies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 15, 2024, at 10:00 a.m. via webcast at https://housingnm.org/meetings-events-no-tices or in person at MFA's office to provide comments If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service, please contact MFA toll free 1-800-444-6880; fax: 505-243-3289; e-mail: sstephens@housingnm.org TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. Accommoda-tions can be made within 48 hours notice for non-English speaking participants and individuals with disabilities by calling 505-843-6880. Citizens, interested agencies, and for-profit and nonne may provide comments at any time

Page 168 of 549

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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 there of for a period of:

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PART C

New Mexico Citizen Participation Plan

I. INTRODUCTION

Participating Jurisdictions (PJs) receiving U.S. Department of Housing and Urban Development (HUD) entitlement grant funds must develop a Citizen Participation Plan (CPP). The CPP describes efforts to be commenced to encourage community members to participate in the development of the federally required reports by HUD: Affirmatively Furthering Fair Housing (AFFH), Consolidated Plan (Con Plan), Annual Action Plan (AAP), and the Consolidated Annual Performance and Evaluation Report (CAPER).

New Mexico receives five formula entitlement grants from HUD, to help address the state's affordable housing, community and economic development needs. The five formula grant programs are Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) and National Housing Trust Fund (HTF).

HUD's required planning process is intended to comprehensively fulfill three basic goals: provide decent housing, provide a suitable living environment and expand economic opportunities.

The Consolidated Plan involves a three part planning process required by HUD. It comprises developing a five (5) 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 housing, homeless, community, and economic development needs, identify resources that will be utilized and actions to be taken to address the needs, as well as evaluate the state's progress toward achieving strategic goals. Programs and activities range widely from public facilities to housing development, homeless shelters or services and many other actions designed to meet the strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding. In addition, HUD guidelines require New Mexico to analyze impediments and develop an Affirmatively Furthering Fair Housing Equity Plan (AFFH), publish the study and report on actions taken to address identified fair housing impediments. The AFFH demonstrates the state's efforts to affirmatively further fair housing during a period covered by the Consolidated Plan.

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, the Annual Action Plan, any amendments to the Consolidated Plan or Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report, as well as the Analysis of Affirmatively Furthering Fair Housing Equity Plan.

The CPP sets forth general policies and procedures for implementing and carrying out the Consolidated Plan process and preparation, such as how the Consolidated Plan will be developed, dates and milestones along with how 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 HUD's rules for the Consolidated Plan. New Mexico Mortgage Finance Authority (MFA) directly administers HOME, ESG, HOPWA, and HTF funds. Local Government Division, Community Development Bureau within the New Mexico Department of Finance and Administration (DFA) administers CDBG funds. MFA is the lead agency for developing the Consolidated Plan, Action Plan, and Consolidated Annual Performance and Evaluation report. To ensure maximum participation in the Consolidated Plan process among all populations, needs groups, and in order to ensure that their issues and concerns are adequately addressed, 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. Those standards of participation will also apply to the Affirmatively Furthering Fair Housing Equity Plan.

The program year for all documents covered by this plan begin annually on July 1 and end on June 30.

II. TYPES OF PARTICIPATION

A. CONSOLIDATED PLAN AND ANNUAL ACTION PLAN

The Consolidated Plan is a five (5) year plan that identifies the needs of low income persons and areas of the state of New Mexico and sets forth a five (5) year strategy to address those needs, primarily utilizing federal housing and community development funds. The Annual Action Plan identifies the specific needs to be addressed with that funding each year based on the priorities established in the Consolidated Plan's five (5) year strategy.

1. Preparation

In order to identify the needs of low income persons and areas of the state of New Mexico, priorities must be set in order to decide which of the identified needs should secure the highest priority for funding. In order to solicit community input, which is essential to determining these needs and priorities, the state of New Mexico will:

• Create and utilize a survey to obtain community input on the state's housing and community development needs for the Consolidated Plan process.

• Conduct stakeholder interviews for the Consolidated Plan process with local public agencies that assist low income persons and areas, including MFA and DFA staff and government agencies; as well as private agencies, including local non-profit housing developers and social service agencies (including those focusing on services to children, elderly, persons with disabilities, persons with HIV-AIDS, persons with substance abuse problems).

• Conduct one (1) or more focus group meetings for the Consolidated Plan process to solicit input on needs and priorities.

• Solicit proposals from local governments for CDBG funded infrastructure projects that meet local community needs based partly on community outreach by applicants for such funding. (Applicants must hold at least two publicly advertised citizen participation meetings prior to submitting an application to DFA for CDBG infrastructure funds. Public notices must include a print notice published in at least one (1) local newspaper of general circulation or post notices in prominent locations at least ten (10) days prior to the citizen participation meetings.)

• Issue a public notice for a public hearing on the needs of the community to inform the Consolidated Plan and/or Annual Action Plan.

• Develop an assessment of needs in the state of New Mexico as well as a strategic plan to address those needs as part of the Consolidated Plan process.

• Issue a public notice announcing the release of a complete draft of the Consolidated Plan and/or Annual Action Plan, a thirty (30) day review and comment period of the complete draft, and a public hearing to take place during the review and comment period.

• Take appropriate actions to encourage participation of all New Mexico residents, including minorities and non-English speaking persons, as well as persons with disabilities.

2. Adoption

As noted above, the state of New Mexico will provide several opportunities for citizen involvement in the Consolidated Plan process prior to adoption. These include:

• One (1) or more focus group meetings on needs and priorities for the Consolidated Plan process.

• A public notice for the public hearing on the needs of the community to inform the Consolidated Plan and/or Annual Action Plan and a separate public notice announcing the release of a complete draft of the Consolidated Plan and/or Annual Action Plan, a thirty (30) day review and comment period of the complete draft, and a public hearing to take place during the review and comment period. MFA will provide public notifications by utilizing newspaper publications or additional media i.e. (flyers, print, electronic) that are designed for maximum outreach for public engagement. Additionally, MFA will utilize its extensive partner email list to ensure outreach to advocacy groups, across the state, and social media platforms for feedback. MFA will notify the public about public hearings, comment periods, public meetings, and additional opportunities for public feedback through communication outlets that are designed to increase public participation and generate quantifiable feedback/results. Notifications will be published in English and Spanish. Publishing will occur on MFA's website (http://www.housingnm.org/) and DFA's website (https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/) at least seven (7) days in advance of the hearing. The notice will list the locations where the document(s) will be available for review.

• The Draft Consolidated Plan and/or Draft Annual Action Plan will be available at MFA and DFA offices and on MFA's and DFA's websites.

• The Draft Consolidated Plan and/or Draft Annual Action Plan will be made accessible to persons with disabilities upon request.

• In preparing the Final Consolidated Plan and/or Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearings or submitted in writing during the review and comment period. The final documents submitted to HUD will have a section that presents all comments and explains why any comments were not accepted.

• At the end of the thirty (30) day comment period, the state of New Mexico will consider any comments and finalize the Consolidated Plan and/or Annual Action Plan and formally submit to HUD.

3. Amendments

The Consolidated Plan and Annual Action Plan will be amended whenever there is a change in one (1) of the priorities presented on the HUD required Priority Table; a change in the use of funds to an activity not mentioned in the final Annual Action Plan; or a change in the purpose, location,

scope or beneficiaries of an activity (described more fully later). The public will be notified whenever there is a substantial amendment as defined below:

• Changing the priorities contained in the Five (5) Year Strategic Plan of the Consolidated Plan.

• Funding of a goal not described in the Annual Action Plan.

• Any change in the described method of distributing funds in the Annual Action Plan to local governments or nonprofit organizations to carry out activities. Elements of a method of distribution are:

- Application process;
- Resource allocation method;
- Threshold factors;
- o Grant size limits; and
- o Criteria selection.

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.

There must be reasonable notice of a proposed substantial amendment so that residents of the affected areas of the state will have an opportunity to review and comment. Notice will be made according to the procedures described herein with the addition of the following procedures specifically for substantial amendments:

• Issue a public notice upon release of the proposed substantial amendment announcing a thirty (30) day review and comment period and a public hearing regarding the proposed substantial amendment after the review and comment period. MFA will provide public notifications by utilizing newspaper publications or additional media i.e. (flyers, print, electronic) that are designed for maximum outreach for public engagement. Additionally, MFA will utilize its extensive partner email list to ensure outreach advocacy groups across the state, and social media platforms for feedback. MFA will notify the public about public hearings, comment periods, public meetings, and additional opportunities for public feedback through communication outlets that are designed to increase public participation and generate quantifiable feedback/results. Notifications will be published in English and Spanish. Publishing will occur on MFA's website (http://www.housingnm.org/) and DFA's website (https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/).

• Include a section in the final substantial amendment that presents all comments, plus explanations why any comments were not accepted.

In the event of certain disasters, public health orders, or emergencies, HUD may provide waivers and alternative requirements relative to public notification processes. In such events MFA or DFA will follow any waivers to expedite notifications for delivery to the community. It may be necessary to amend the Consolidated Plan or Annual Action Plan in the event of an emergency such as a natural disaster. These amendments may include funding activities outside of the method of distribution process described in the Annual Action Plan and/or reprogramming funds to meet community development needs that have a particular urgency. Therefore, the state of New Mexico, acting through MFA, may utilize HOME, HTF, ESG and HOPWA funds to meet an urgent need without the normal public comment period, which is otherwise required for substantial amendments. DFA, through its Community Development Bureau, may administer 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 MFA or 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 eighteen (18) months preceding MFA's or DFA's certification.

B. CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT

Every year, the state of New Mexico must submit to HUD a Consolidated Annual Performance and Evaluation Report (CAPER) within ninety (90) days of the close of the program year. In general, the CAPER must describe how funds were actually used and the extent to which these funds were used for activities that benefited low income people.

• There will be seven (7) days advance public notice of the availability of the CAPER prior to a public hearing.

- There will be a public hearing regarding the CAPER during a fifteen (15) day public review period.
- The final CAPER will have a section that presents all comments, plus explanations why any comments were not accepted.

C. AFFIRMATIVELY FURTHERING FAIR HOUSING

HUD guidelines require New Mexico to analyze impediments with an Affirmatively Furthering Fair Housing Equity Plan (AFFH), publish the plan and report on actions taken to address those impediments. The AFFH demonstrates the state's efforts to affirmatively further fair housing during a period covered by the Consolidated Plan. MFA will publish AFFH equity plan and reporting on actions to address those impediments on MFA's website at http://www.housingnm.org/.

III. PUBLIC NOTICE

A. PUBLIC NOTICE REQUIREMENTS

There shall be advance public notice once any of the following documents are available: the Annual Action Plan or Consolidated Plan, any proposed substantial amendment(s) to the Action Plan or Consolidated Plan and the Consolidated Annual Performance and Evaluation Report (CAPER). Public notice requirements are noted in previous sections.

B. FORMS OF PUBLIC NOTICE

Staff will ensure adequate advance notice of all public hearings. Adequate notice will include:

• Printing notices in newspapers representative of the state of New Mexico's population and geography at least seven (7) days prior to the public hearings.

• Posting notices on MFA's website (https://housingnm.org/meetings-events-notices) and DFA's website (<u>https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/</u>).

IV. PUBLIC HEARINGS

Public hearings are required by law in order to obtain the public's views and to provide the public with the state's responses to public questions and proposals. Public hearings will be held only after there has been adequate notice as described in the Public Notice part of this Citizen Participation Plan. Public hearings will be held at MFA's offices at 344 Fourth Street SW in Albuquerque and may be held virtually for those who cannot travel or for personal comfort. However, the final approval and adoption of the Annual Action Plan, Consolidated Plan and CAPER will be conducted at MFA's offices. Public hearings must be held at locations that are accessible to people with disabilities and provisions will be made for people with disabilities when requests are made at least five (5) working days prior to a hearing. Translators will also be provided for people who do not speak English when requests are made at least five (5) working days prior to a hearing.

V. PUBLIC ACCESS TO INFORMATION

As required by law, the state of New Mexico will provide the public with reasonable and timely access to information and records relating to the data or content of the Consolidated Plan, as well as the proposed, actual, and past use of funds covered by this Citizen Participation Plan in addition to the Affirmatively Furthering Fair Housing. Staff will also provide reasonable public access to records about any uses of these funds during the previous five (5) years.

Also, as required by law, the state of New Mexico will provide the public with reasonable and timely access to local meetings relating to the proposed or actual use of funds (such as MFA Board meetings).

A. HUD DOCUMENTS

HUD Documents described in this section include:

- Annual Action Plan;
- Consolidated Plan;
- Consolidated Annual Performance Evaluation Report (CAPER);
- Substantial amendments to the Annual Action Plans, the Consolidated Plan, the Consolidated Annual Performance and Evaluation Reports or the Citizen Participation Plan; and
- The Affirmatively Furthering Fair Housing Equity Plan.

B. AVAILABILITY OF HUD DOCUMENTS

In the interest of encouraging public participation, copies of HUD documents will be provided to the public at no cost and within one (1) week of a request. These materials will be available in a form accessible to persons with disabilities, when requested.

C. LOCATION OF DOCUMENTS

HUD Documents will also be available for viewing at the following locations during respective and applicable review periods:

New Mexico Mortgage Finance Authority 344 Fourth St. SW, Albuquerque, NM 87102 Telephone: (505) 843-6880 TTY: 1-800-659-8331 for English and 1-800-327-1857 for Spanish

VI. COMMENT PROCEDURES

The state of New Mexico will provide a period at least thirty (30) days to receive comments on the draft Consolidated Plan, Annual Action Plan and any substantial amendments. The thirty (30) day period may start on the date the document is available to the public. The state of New Mexico must also provide public notice regarding the availability of documents and dates of the thirty (30) day comment period. For performance reports, the state of New Mexico will provide at least fifteen (15) days to receive public comments.

The state of New Mexico will consider all comments received and responses will be attached to each document.

VII. 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 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, HOME, HOPWA or HTF 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 hearings. All public comments, including complaints and grievances, made either orally or in writing within the thirty (30) day public comment period, will be included in the final Consolidated Plan or Annual Action Plan. Such complaints or grievances for HOME, HOPWA, HTF or ESG shall be directed to the Consolidated Plan representative at MFA (contact information listed above). Such complaints or grievances regarding CDBG shall be directed to DFA's Bureau Chief by contacting DFA at 505-470-8979. MFA or DFA will respond to all complaints, in writing, within fifteen (15) days.

VIII. ACCOMMODATION OF PERSONS WITH SPECIAL NEEDS

The state of New Mexico complies with the Americans with Disabilities Act and will make accommodations for persons with special needs. Public hearings and the review of Consolidated Plan documents will be held at MFA's office or virtually, which is accessible to people with disabilities, or another accessible location. Additional provisions will be made for people with disabilities when requests are made at least five (5) working days prior to a hearing. Translators will also be provided for people who do not speak English when requests are made at least five (5) working days prior to a hearing.

PART D

National Housing Trust Fund Notice of Funding Availability (NOFA)

Introduction and Background

The National Housing Trust Fund (NHTF) was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131. In December 2014, the Federal Housing Finance Agency directed Fannie Mae and Freddie Mac to set aside and allocate funds to the NHTF. On January 30, 2015, the U.S. Department of Housing and Urban Development (HUD) published an interim rule (24 CFR Parts 91 and 93) providing guidelines for states to implement the NHTF. Each state's allocation was published on May 4, 2016, and New Mexico received an allocation of \$3 million. New Mexico Mortgage Finance Authority (MFA) will distribute these funds in accordance with 24 CFR Parts 91 and 93.

MFA is a governmental instrumentality separate and apart from the state, created by the New Mexico Mortgage Finance Authority Act for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. The state of New Mexico designated MFA as the administrator of the state's NHTF program. Ten percent of MFA's allocation and of future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202. MFA will distribute the remaining NHTF funds directly to recipients; no funds will be distributed to sub-grantees. Funds will be distributed in the form of forgivable loans, in accordance with the guidelines set forth in this NOFA, as well as priority housing needs identified in the state's Consolidated Plan.

The purpose of the NHTF is to provide a new affordable housing production program that will complement existing federal, state, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for households whose incomes do not exceed the greater of 30% of Area Median Income (AMI) or the federal poverty line (hereinafter collectively defined as Extremely Low Income or "ELI" households). One hundred percent of rental units funded by NHTF will be occupied by ELI households.

Contact Person

Applicants are encouraged to direct questions regarding the New Mexico Housing Trust Fund Notice of Funding Availability (NOFA) and Funding Application Guidelines to:

Jacobo MartinezNew Mexico Mortgage Finance Authority 344 Fourth Street SW Albuquerque, NM 87102 Phone: (505)767-2280 or toll-free statewide (800) 444-6880 E-mail: ssu@housingnm.org

TTY/Voice: 711, or if no answer, 1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Application Submission

Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in-order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. All applications submitted by the deadline for a particular MFA Board of Directors meeting will be treated as one funding round and evaluated concurrently. Subject to fund availability, final funding decisions will be made by MFA's Board of Directors. If sufficient funds are not available to fund all applications that meet the requirements outlined in this NOFA, the application receiving the highest score will be recommended to the MFA Board of Directors for approval, followed by the next highest scoring application, etc., until the remaining funds are no longer sufficient to fulfill the next highest scoring application's requested loan amount.

If funds remain following the initial funding round, MFA will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Application forms will be provided electronically and may be downloaded from MFA's website at http://www.housingnm.org/developers.

Eligible Applicants

Eligible recipients include nonprofit entities, for-profit entities, public housing agencies, and tribally designated housing entities. Participating recipients must be approved by MFA and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of 24 CFR 93.200. To be eligible to receive NHTF assistance:

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney, and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.
- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding but not limited to:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds in the prior fiscal year endand its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);
 - If referenced in audit as a separate communication, no submission of management, response letter and management response to concerns noted in the management letter; and
 - \circ $\;$ If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out NHTF funded projects must also evidence good standing in the System for Award Management (SAM) (<u>https://www.sam.gov</u>).

Eligible Activities

Eligible activities include the production, preservation and rehabilitation of affordable rental housing units for ELI households. The use of funds for new construction or rehabilitation of public housing must remain within 24 CFR 93.203 guidelines. Projects may include, but are not limited to, permanent rental housing for individuals or households experiencing homelessness, Single Room Occupancy (SRO) projects, senior projects and other special needs projects. Dormitories and transient housing (e.g. emergency shelters for homeless households) are ineligible. Given the high need for rental housing among ELI households, MFA will not fund any homebuyer activities.

MFA may, at its discretion, use NHTF funds for refinancing only when needed in order to permit or continue affordability of rental units when (1) rehabilitation is the primary activity, (2) the use of NHTF funds is proportional to the number of NHTF-assisted units in the project, and (3) the rehabilitation cost attributable to the NHTF units is greater than the amount of debt to be refinanced that is attributed to the NHTF units. MFA's minimum affordability period and underwriting standards for an initial investment of

NHTF funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with the market, and review of total development costs and sources available to meet these needs.

Eligible costs are the following: development hard costs, refinancing costs, acquisition costs, related soft costs and relocation costs as defined in 24 CFR 93.201. Up to 10 percent of MFA's allocation and of future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202. For NHTF-assisted units for which project-based assistance is not available, when necessary and subject to the limitations in 24 CFR 93.200 (a) and in accordance with the requirements found in 24 CFR 93.201 (e), NHTF funds may be available to pay for operating cost assistance and operating cost assistance reserves.

Beneficiary Income Limits and Rent Restrictions

Beneficiaries or occupants of units financed by the NHTF must have incomes at or the NHTF income limits published by HUD, which the applicant shall be required to verify. Rents may not exceed the NHTF rent limits published by HUD.

Affordability Period

The minimum affordability period for NHTF-assisted units is 30 years, as set forth in 24 CFR 93.302(d).

Projects will be subject to an annual Compliance Monitoring Fee of \$45.00 per NHTF unit, paid annually in advance, which must be reflected in the project's operating budget. MFA may establish a minimum annual Compliance Monitoring Fee that is based on the number of NHTF units in the project. This fee may be waived if required under another MFA funding source, as it is MFA's intent to collect one fee per NHTF unit.

Limitation on Beneficiaries or Preferences

Preferences defined in this NOFA may not violate nondiscrimination requirements in the NHTF interim rule at 24 CFR 93.350. Projects may not limit occupancy to or provide preference to students. For NHTF-funded units, owners of NHTF-assisted projects are permitted to limit occupancy to or provide preference to the following populations:

- Households or individuals experiencing homelessness;
- Individuals with disabilities;
- Individuals with severe mental illnesses;
- Individuals with alcohol or other addictions;
- Individuals with HIV/AIDS;
- Victims of domestic violence;
- Senior Housing;
- Veterans;
- Individuals on public housing waiting lists;
- Youth transitioning out of foster care; and

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Ex-offenders.

See the Definitions section at the end of this NOFA. At the applicant's request, MFA may consider alternative definitions on a case-by-case basis.

While not required to limit occupancy or provide preferences to the populations described above, owners of NHTF-assisted projects who do must do so in accordance with 24 CFR 93.303(d). The intent is merely to allow owners of NHTF-assisted projects to limit occupancy to or provide preference to populations identified within this section as well as the priority housing needs identified in the NM Consolidated Plan.

Any limitation or preference must not violate nondiscrimination requirements. Federal fair housing requirements, including the duty to affirmatively further fair housing, are applicable to the NHTF program. A limitation does not violate nondiscrimination requirements if the project also receives funding from a federal program that limits eligibility to a particular segment of the population (e.g. Housing Opportunity for Persons Living with AIDS program, the Section 202 and Section 811 programs or the Housing for Older Persons Act).

Environmental Requirements

New construction and rehabilitation projects funded with NHTF must be assessed in accordance with the NHTF Environmental Provisions described in 24 CFR 93.301(f)(1) and (2) as well as HUD Notice CPD-16-14, "Requirements for Housing Trust Fund Environmental Provisions." Copies of all NHTF Environmental Provisions are posted on MFA website for review at http://housingnm.org/developers/national-housing-trust-fund-environmental-review.

Other Federal Requirements

All projects must meet the affirmative marketing, lead-based paint, relocation, conflict of interest, and other federal requirements described in 24 CFR Section 93 Subpart H.

Property Standards

All projects must meet the standards described in 24 CFR 93.301. All rehabilitation projects must meet the requirements found in Attachment A: National Housing Trust Fund Rehabilitation Standards.

In addition, all projects must meet the requirements described in the MFA Mandatory Design Standards for Multifamily Housing in effect at the time of application.

Funding Limits and Restrictions

Awards of NHTF funds are contingent on sufficient appropriations and authorization being made by HUD and the state of New Mexico and are further subject to applicable law. If these are not available, any loan or other agreement between MFA and any successful, eligible applicant shall terminate upon written notice being given by MFA to the applicant. MFA's decision as to whether sufficient appropriations are available or whether NHTF assistance may be awarded subject to applicable law shall be accepted by any applicant and shall be final. Awards of NHTF funds are limited by the maximum per-unit subsidy limits and the MFA's underwriting guidelines. Awards of NHTF funds to projects that receive 9% low-income housing tax credits are limited to a maximum of \$400,000 per project. Awards of NHTF funds to all other projects are limited to a maximum of \$1,500,000 per project. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.

Maximum Per-Unit Subsidy Limits - To allow maximum flexibility, the maximum per-unit subsidy limits for NHTF will be set at HUD's applicable limits for the HOME Program effective at the time of commitment of NHTF funds. The maximum per-unit subsidy limits change annually, and applicant should contact MFA for the most recent data.

Developer and Consultant Fees - Developer fees, inclusive of consultant fees, will be restricted to the maximum limits as described within MFA's General Underwriting Guidelines as a percentage of sum of acquisition and site improvements, hard construction costs, professional fees, financing costs, and soft costs, unless further restricted by other funding sources.

Builder Fees - "Builder Fees" generally cover builder overhead, profit and general requirements and are limited to a percentage of site improvements and hard construction costs, Builder Fees will be restricted to the maximum limits as described within MFA's General Underwriting Guidelines, unless further restricted by other funding sources.

Project Readiness Standards

MFA intends to make NHTF awards only to projects that are significantly ready to proceed. At the time of application, the project must have all required zoning in place and the applicant should have all significant environmental issues identified with a plan to address such issues. Preference will be given to projects that have all funding commitments, other than MFA resources, in place. The applicant must be able to represent to MFA that there are no unusual circumstances that would delay a loan closing.

Funding Terms and Conditions

All awards will be subject to the availability of funds and applicable laws and regulations. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability throughout the affordability period. Principles of sound underwriting and risk management will be applied when reviewing all applications.

NHTF financing that will be used as a financing resource in a property also allocating LIHTC will be in the form of non-interest-bearing cash flow loans (applicants seeking credits will need to ensure that the proposed loan meets IRS requirements to be included in eligible basis).

NHTF financing that will be used as a financing resource in a property that will **not** use LIHTC will be in the form of a non-interest bearing "compliance loan." If all of the regulatory and contractual requirements are completed, the loan will be forgiven at the end of the NHTF Period of Affordability, and MFA's secured interest released. MFA would have the right to foreclose on the security deed in the event of a determination of nonperformance or substantial noncompliance with the NHTF program requirements. Loans will be secured by mortgages and/or other appropriate liens. Land Use Restriction Agreements (LURAs) will be required for all loans. LURAs will remain in place throughout the required affordability period (30 years) regardless of the status of the loan or changes in ownership, unless equal or more restrictive restrictions are in place from other funding sources or are imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Evaluation of Applications and Documentation

MFA staff will evaluate applications submitted based on the following Scoring Criteria and all required documentation as outlined in the Universal Rental Development Application. Staff may contact applicants for clarification of information provided. In the event of a tie score, staff will recommend approval based on financial need and applications that are deemed to be most advantageous to achieving the goals of the NHTF.

Scoring Criteria

All projects must meet the following threshold criteria:

- NHTF-assisted units must provide permanent rental housing for ELI households;
- NHTF-assisted units must remain affordable to ELI households for at least 30 years;
- The applicant must certify that NHTF-assisted units will comply with all NHTF requirements;
- The project must be financially feasible;
- NHTF-assisted rehabilitation projects must comply with the rehabilitation standards found in Attachment A: National Housing Trust Fund Rehabilitation Standards; and
- The project must include at least four (4) rental units.

Scoring Criteria	Points
Geographic diversity	
No other Low Income Housing Tax Credit, public housing, or federally-	3 or 5
subsidized housing projects within:	
• ¼ mile radius = 3 points	
• ½ mile radius = 5 points	
Duration of the affordability period beyond the required 30 years	5
Projects committed to an additional five or more years	
Energy efficiency	
Home Energy Rating System (HERS) score exceeds a sufficient HERS rating	5
as stipulated in the then-current MFA Design Standards	
Organization type	
Developer/general partner is a New Mexico nonprofit organization, a Tribal	5
Designated Housing Entity (TDHE), or a public housing authority	
Absence of project-based rental assistance	5
Projects without project-based rental assistance or projects that have or will	
have project-based rental assistance covering less than or equal to 25% of	
the total units	
Transit-oriented development	10
Projects within 1/2-mile walking distance of public transportation	

	Public transportation must be established and provided on a fixed route with	
	scheduled service. Alternative forms of transportation may be acceptable,	
	provided sufficient documentation is submitted that establishes the	
	alternative form of transportation is acceptable to MFA. A future promise to	
	provide service does not satisfy this scoring criterion.	
	Tribal or Rural location	10
	Tribal or Rural Housing projects, defined as follows:	
	A. Tribal – Projects located on tribal lands, or	
	B. Rural – Projects located outside of the boundaries of Bernalillo County,	
	the City of Rio Rancho, the City of Las Cruces, the City of Santa Fe, the City of	
	Farmington or the City of Roswell.	
		lin to 10
	Constitution of a survey its complete the survey of the su	Up to 10
	Creation of new units serving ELI households, through new construction,	
	adaptive reuse or conversion of market-rate units	
	Examples:	
	 New construction of 4 new units (minimum project size) consisting of 3 	
	market rate units and 1 ELI unit = 1 point	
	 Adaptive reuse of a hotel into 30 units consisting of 10 market rate 	
	units, 10 units at 50% AMI, and 10 ELI units = 10 points	
	Each new ELI unit = 1 points (Capped at 10 points)	
-	Readiness	Up to 20
	Applicant's ability to obligate NHTF funds and undertake eligible activities in a	
	timely manner	
	Projects that have	
	(1) evidence of site control =5 points	
	(2) evidence that the current zoning of the proposed site does not prohibit	
	multifamily housing = 5 points	
	(3) evidence of all other non-MFA funding sources	
	a.) letters of interest from all other non-MFA funding = 5 points	
	b.) commitment letters from all other non-MFA funding sources = 10	
	points	
	Leverage	Up to 20
	Use of state, local and private funding sources	
	Projects that have funding sources outside of federal funding sources, low-	
	income housing tax credits, bond financing, and MFA funding sources, as	
	follows:	
	10% of NHTF funds requested = 4 points	
	20% of NHTF funds requested = 8 points	
	30% of NHTF funds requested = 12 points	
	40% of NHTF funds requested = 16 points	
	50% of NHTF funds requested = 20 points	
	Extent to which the project meets any of the following priority housing needs	Up to 20
	identified in the NM Consolidated Plan: housing for the elderly and frail elderly,	001020
	housing for persons with severe mental illness, housing for persons with	
	disabilities, housing for persons with alcohol or other addictions, housing for	
	persons with HIV/AIDS, housing for victims of domestic violence, housing for	
	individuals or households experiencing homelessness, as follows:	
	10% of NHTF units targeted to any priority housing need = 4 points	
	20% of NHTF units targeted to any priority housing need = 8 points	
	30% of NHTF units targeted to any priority housing need = 12 points	

40% of NHTF units targeted to any priority housing need = 16 points 50% of NHTF units targeted to any priority housing need = 20 points	
Total Possible Points = 115	
Minimum Points Required = 40	

Changes to the application/project after award require MFA's approval and applicant/owner must notify MFA in writing of any changes and include a \$500 Change Fee with the request. If the project received funding under another program that requires payment of the Change Fee, the NHTF Change Fee may be waived. It is the intent of MFA to charge this fee only once per change. Changes to the application/project after award, including changes in funding sources, will result in an additional review against the Scoring Criteria. Changes that impact the initial score can result in the loss or reduction of an NHTF award.

Application Format and Instructions to Applicants

All proposals must include the items requested in the application checklist on MFA's website located at http://www.housingnm.org/developers. The checklist includes, but is not limited to, such items as application, schedules, resumes, audits, narrative, certifications and disclosures.

The application fee for NHTF will be \$250.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an applicant in applying for NHTF funding. All costs incurred by an applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the applicant.

Award Notice

MFA shall provide written notice of the award to all applicants within fifteen (15) days of the date of the award. The award shall be contingent upon meeting all loan closing conditions determined by MFA and execution of all final loan documents.

Application Confidentiality

Prior to the application deadline, MFA encourages inquiries from potential applicants regarding the NOFA. MFA shall not disclose any information regarding a proposed application provided during such inquiries to any third party. After the application deadline and until awards are made and notice given to all applicants, MFA will not disclose the contents of any application or discuss the contents of any proposal with an applicant or potential applicant, so as to make the contents of any offer available to competing or potential applicants.

After awards have been made and notice given to all applicants, all applications shall be available and open to the public for review.

Irregularities in Applications

MFA may waive any technical irregularities in an application selected for award that do not alter the nature or the quality of the services offered. Note especially that the date and time of application submission indicated herein under "Application Submission and Due Date" cannot be waived under any circumstances.

Responsibility of Applicants

If an applicant who otherwise would have been awarded funds is found not to be a responsible applicant, a determination setting forth the basis of the finding shall be prepared and the applicant disqualified from receiving the award.

A responsible applicant means an applicant who submits an application that conforms in all material respects to the requirements of this NOFA and the NHTF application and who has furnished, when required, information and data to prove that the applicant's financial resources, facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this NOFA.

Protest

Any applicant who is aggrieved in connection with this NOFA or the award of a loan agreement pursuant to the NHTF application process may protest to MFA. The protest must be written and addressed to the Contact Person. The protest must be delivered to MFA within five (5) calendar days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all applicants who appear to have a reasonable prospect of being affected by the outcome of the protest. The applicants receiving notice may file responses to the protest within five (5) calendar days of notice of protest. A committee appointed by the MFA Board Chair shall review the protest and responses to the protest and shall make a recommendation to the Board of Directors regarding the disposition of the protest.

The Board of Directors shall make a final determination regarding the disposition of the protest. Applicants or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors. A proposal will be deemed ineligible if the applicant or any person or entity acting on behalf of applicant attempts to influence members of the Board of Directors or staff during any portion of the review process, or does not follow the prescribed Application and Protest process.

Code of Conduct

Applicant has no current or proposed business transaction with MFA or any of its Board members or employees, nor is aware of any other potential conflict which may give rise to a claim of conflict of interest. Any violation of this provision, as determined by MFA, will render the contract void, unless it is approved by the Board of Directors after full disclosure.

Applicant shall provide a statement disclosing any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by Applicant or on Applicant's behalf to any elected official of

the State of New Mexico currently serving or who has served on the MFA Board of Directors in the last three (3) years.

Applicant shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. Applicant shall at all times conduct itself in a manner consistent with the MFA Code of Conduct. A copy of the MFA Code of Conduct is posted on the MFA website for review at http://www.housingnm.org/rfp. Upon request by MFA, Applicant shall disclose information the MFA may reasonably request relating to conflicts or potential conflicts of interest.

Use of Electronic Versions of this NOFA

This NOFA is being made available by electronic means. If accepted by such means, the Applicant acknowledges and accepts full responsibility to ensure that no changes are made to the NOFA. In the event of conflict between a version of the NOFA in the Applicant's possession and the version maintained by MFA, the version maintained by MFA shall govern.

Definitions

<u>Households or individuals experiencing homelessness</u> – A household or individual is considered homeless when residing in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street);
- In an emergency shelter;
- In transitional or supportive housing for homeless households/individuals who originally came from the streets or emergency shelters;
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the individual/household lacks the resources and support networks needed to obtain housing;
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; and/or
- Is fleeing a domestic violence housing situation and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

<u>Individuals with disabilities</u> - Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks and caring for oneself.

<u>Individuals with severe mental illnesses</u> - Serious mental illness (SMI) as defined by the Substance Abuse and Mental Health Services Administration (SAMHSA) - adults aged 18 or older who currently or at any time Approved by MFA Board of Directors. Revised September 2022.Page 11 of 12 in the past year have had a diagnosable mental, behavioral, or emotional disorder (excluding developmental and substance use disorders) of sufficient duration to meet diagnostic criteria specified within the 4th edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) that has resulted in serious functional impairment, which substantially interferes with or limits one or more major life activities. Treatment Severe mental illness is often defined by its length of duration and the disability it produces. These illnesses include disorders that produce psychotic symptoms, such as schizophrenia and schizoaffective disorder and severe forms of other disorders such as major depression and bipolar disorder.

<u>Senior Housing</u> - The Fair Housing Act specifically exempts some senior housing facilities and communities from liability for familial status discrimination. Exempt senior housing facilities or communities can lawfully refuse to sell or rent dwellings to families with minor children. In order to qualify for the "housing for older persons" exemption, a facility or community must prove that its housing is:

- Provided under any State or Federal program that HUD has determined to be specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or
- Intended for, and **solely** occupied by persons 62 years of age or older; or
- Intended and operated for occupancy by persons 55 years of age or older.

In order to qualify for the "55 or older" housing exemption, a facility or community must satisfy each of the following requirements:

- At least 80 percent of the units must have at least one occupant who is 55 years of age or older; and
- The facility or community must publish and adhere to policies and procedures that demonstrate the intent to operate as "55 or older" housing; and
- The facility or community must comply with HUD's regulatory requirements for age verification of residents.

PART E

Attachment A to National Housing Trust Fund Allocation Plan MFA 2020 Mandatory Design Standards for Multifamily Housing

Part A

The following Design Standards, including the MFA 2020 Submission Instructions for Preliminary Architectural Documentation for Multifamily Housing Applications, contained herein as **Part B**, represent the minimum requirements for New Mexico Mortgage Finance Authority (MFA) financed rental housing and are herewith incorporated by reference into MFA's 2020 Qualified Allocation Plan (QAP). Capitalized terms are defined either herein or in the QAP.

MFA values excellence in design because well designed housing meets the needs of tenants, attracts market tenants and promotes community acceptance of housing financed by MFA. All Projects shall meet or exceed each of these standards, as well as the minimum requirements of all applicable building codes (hereinafter referred to as "Code"), regulations, and local zoning ordinances. In addition, Projects shall meet Americans with Disabilities Act (ADA) and Fair Housing Act (FHA) requirements as applicable. Depending on the funding sources and other partners' requirements, the Project may also be subject to Uniform Federal Accessibility Standards (UFAS) requirements. Projects receiving HOME funding must meet the property standards of 24 CFR 92.251. Projects receiving National Housing Trust Funds must meet the property standards of 24 CFR 93.301 (f) (1) and (2). The development team is responsible to know and meet all accessibility requirements for their Project. MFA will not be reviewing submissions with the intent to identify compliance with these various laws, codes, and ordinances governing the design of the projects. Should we find a discrepancy in a design that does not meet a law, code, or ordinance, we will, as a courtesy, inform the designer of our findings. Our review does not constitute nor represent the project's compliance with all applicable laws, codes, or ordinances; and development team members may not rely on MFA or its agents for final determination. In light of the complexity of adherence to all various code requirements, some developers may find it beneficial to hire third-party consultants to provide additional review. Each Project Owner and architect will be required to certify at Application that the Project design meets these Design Standards, and at completion will be required to certify that the Project was built in compliance with these Design Standards. The Design Standards have been arranged into three sections: "New Construction," "Rehabilitation," and "Special Projects" and shall be used as applicable for each type of Project or each portion of a Project.

<u>Generally</u>: Each Project must satisfy the desires and demands of the rental market. The physical characteristics of Projects will vary and depend on such matters as rentals, characteristics of population served, size of households, and comparable Projects. While it is expected that all projects meet the Design Standards applicable to their form of construction, these Design Standards are not intended to add unnecessary burden to the project. In cases where it is not technically and/or economically feasible to adhere strictly to all design or submission requirements, individual requirements may be waived at

MFA's discretion. The applicant must complete and submit the Waiver Procedure for Design Requirements form found in the 2020 LIHTC Application Package. This request will be reviewed with the application and determination of approval given following the design review process. Waiver Requests made after the project is awarded tax credits and/or any MFA funding are considered changes to the Project, and a\$500 fee payment will be required.

<u>Design</u>: Housing rental Projects must provide a continuing market appeal. Amenities, space and aesthetics must be competitive with other properties serving the same market segment. The Project must be visually pleasing, well suited to the needs of the residents, and of good design reflecting the architectural standards of the neighborhood and of the community in which it is situated. Site, building and dwelling unit designs must be practical and use space effectively.

<u>Cost Concerns</u>: The design should incorporate proven construction cost-saving techniques, durable costeffective materials suitable for the intended use, energy saving features, and cost-efficient mechanical systems. Minimizing initial construction costs and continuing operation and maintenance costs are essential to MFA's affordable housing programs.

For purposes of this document, the ANSI A 117.1 standard means the then-current version of the ANSI A.117.1 standard adopted by the state of New Mexico as same applies to the Project at the time of construction.

NEW CONSTRUCTION

A. GENERAL DESIGN

- New construction Projects shall conform to the following provisions and requirements as described in the New Construction section of this Standard unless specific site conditions make compliance technically infeasible, in which case the Application must contain a detailed explanation of why a provision or requirement cannot be met.
- 2. Provisions shall be made for ACCESSIBILITY for people with disabilities in conformance with the requirements of federal and state law including the FHA and the ADA, as applicable. A minimum 5 percent of the units on a Project site shall meet the provisions of a Type A accessible unit as described in the ANSI A117.1 standard. An additional 2 percent of the units shall meet the provisions of a "hearing impaired unit." Depending on the funding sources and other partners' requirements, the Project may also be subject to UFAS requirements. The development team is responsible to know and meet all accessibility requirements for their Project.
 - a. Site elements, accessible routes, buildings, and units shall be constructed in accordance with the ANSI A117.1 standard.
 - b. An accessible route shall be provided to all accessible units, to all public use spaces, to all common use spaces, and to site amenities (such as mail centers and dumpsters).
 - c. All common areas, including playgrounds and exercise rooms, shall be made accessible in accordance with FHA and ADA requirements.
 - d. Not less than one of the Type A units provided shall be fitted with a roll-in shower which shall be constructed in conformance with the ANSI A117.1 standard.

- e. A van accessible parking space shall be provided for each designated Type A accessible unit and for the Community Building at the ratios required by ADA.
- 3. Provisions shall be made for ADAPTABILITY for people with disabilities in conformance with the requirements of federal and state law including the FHA and the ADA. All units located on an accessible path shall meet the provisions of either a Type A or Type B accessible unit as described in the ANSI A117.1 standard. An accessible route shall be provided to all ground floor units (unless noted through exception as found within the FHA and ANSI standards based on site configuration See FHA Design Manual and ANSI A117.1 for additional information.)
- New construction properties shall be designed and constructed in such a way as to provide greater energy efficiency, decreased water usage, and increased durability over a similarly sized minimum Code compliant Project.
 - a. New construction units shall achieve a HERS certification of 55 or less.
 - b. New construction units shall utilize plumbing fixtures with flow rates and flush rates at the following rates: Toilets less than 1.6 GPF; Lav Faucets less than 2.0 GPM, Kitchen Faucets less than 2.5 GPM; Shower Heads not more than 2.0 GPM.
 - c. The Project team shall implement durability measures intended to extend the livability and to decrease maintenance costs of the property.

B. SITE DESIGN AND DEVELOPMENT

- Sites shall be designed, constructed, monitored and maintained in accordance with the federal Clean Water Act. See EPA's "Managing Your Environmental Responsibilities: A Planning Guide for Construction and Development" for additional information and requirements. http://water.epa.gov/polwaste/npdes/stormwater/upload/myerguide.pdf.
- 2. Sites shall be constructed to drain away from buildings. Storm water recharge of groundwater is a goal. Ponding areas shall be made attractive but reduce risk to tenants.
- 3. Parking shall be provided at the minimum numbers as defined by local Zoning Ordinance.
- 4. Parking for bicycles shall be provided at all properties at the ratio of .5 bicycle parking space per unit.
 - a. Senior properties so designated by the U.S. Department of Housing and Urban Development (HUD) funding definitions applicable to the property and/or the Housing for Older Persons Act (HOPA) shall be required to provide bicycle parking at the ratio of .25 spaces per unit.
 - b. Bicycle parking should be provided in secure areas outside of the unit and in locations that do not compromise building safety or exiting. Bicycle parking at exterior locations shall be placed in highly visible locations and adjacent to the units the spaces serve. Bicycle parking may be congregate. Multiple spaces may be accomplished on a single rack. Bicycle parking racks should be fixed and permanent in nature.
- 5. Common use site areas shall include refuse collection, mail distribution, laundry, recreation, and congregation. All such areas shall be connected with an accessible route.
 - a. Refuse collection areas shall be convenient to the units, shall be screened on all four sides, and shall offer room for recycling activities if such service is available in that municipality.

- b. Mail distribution areas shall be well lit and secure but shall remain open to the tenants at all times.
- c. Unless washers and dryers are provided in each individual unit, laundry facilities shall be provided for tenant use at all properties with more than 20 units on the site as follows:
 - i. One each washer and dryer shall be provided for every 12 units.
 - ii. Laundry facilities shall be secured and well-lit from dusk until dawn.
 - iii. An accessible clothes folding table or counter shall be provided in each laundry facility.
- d. Site recreational areas shall be provided at all properties.
 - i. Site recreational facilities shall be provided on an accessible route, and shall encourage physical activity and community interaction.
 - Site recreational facilities shall include accessible play areas, shall be provided for different age groups, and shall encourage physical activity. Activities/play areas for different age groups may be combined within a common play area as appropriate.
 - a) All play areas shall be located away from high automobile traffic and shall be situated for maximum visibility from the dwelling units.
 - b) A play area for children under age 5 shall be provided within direct visibility of common spaces.
 - c) A play area for children ages 5 12 shall be provided.
 - d) For children over age 12 an area of congregation that encourages physical activity shall be provided.
 - e) Visible warning signs describing play area rules and warning that use is at one's own risk shall be provided at each play area.
 - f) An accessible, weather resistant, permanently-mounted bench shall be provided at each separate play area.
 - g) Senior properties so designated by HUD funding definitions applicable to the property and/or the HOPA shall be exempt from the requirement to provide play areas, but shall provide areas of congregation that encourage physical activity.
- 6. Landscaping shall be required at all properties:
 - a. A complete landscape plan which maximizes existing natural features or otherwise enhances open space is required.
 - b. Native, semi-native, or drought tolerant plants shall be used.
 - c. Low water use irrigation systems shall be used.
- 7. Interior community spaces and business offices shall be provided at all properties.
 - a. All properties shall have an on-site business office of at least 200 square feet and a maintenance room of at least 100 square feet.
 - b. Accessible public restrooms, at the ratios required by Code, shall be provided.
 - c. Unless required by local building code, properties containing 20 or fewer units shall be exempt from the requirement to provide interior community spaces, public restrooms and business offices.

C. BUILDING DESIGN AND CONSTRUCTION

- 1. Exterior Building Design
 - a. Buildings shall be designed to meet the local zoning requirements for that Project site, including requirements for unit densities, building heights, building setbacks, massing, colors, and materials.
 - b. Definitions: The following specific terms as used in this document shall be defined as following:
 - Building Façade: The "Building Façade" shall be defined to be: "Any elevation of a building facing a public way or space." A Building Façade shall be inclusive of all building elements compiled to create a visual impression. This is much more inclusive than just the building skin.
 - ii. Building Shape: The "Building Shape" shall be defined to be: "The primary rectilinear volume of the building structure."
 - iii. Building Shape Variations: "Building Shape Variations" shall be defined to be: "any deviation in plane from the Building Shape."
 - c. Unless more stringent local zoning requirements apply, the following minimum design requirements shall be met:
 - i. Building Façades shall be multi-faced.
 - a) In no case shall a Building Shape be confined to a straight rectangle. Building Shape Variations shall be required at a ratio of not less than the number bedrooms situated on the ground floor plane.
 - ii. Building Façades shall utilize not less than three different building materials.
 - a) Changes in building materials may also satisfy the requirements for shape changes if the materials are not in the same plane.
 - b) Exterior building materials exposed to the elements shall be low maintenance relative to the Project's geographic location.
 - iii. Building Façades shall be multi-colored.
 - a) Each Building Façade shall include not less than two distinct colors.
 - b) Colors may be from the same hue family, but shall be distinct from each other.
 - iv. Building Façades shall be complementary to the form and massing of existing buildings throughout the community.
 - v. Building Façades shall be unique to the location and shall be of attractive design.
 - d. Buildings shall be individually marked with visible, contrasting identifying signage to minimize the response time of emergency personnel. Building identifying signs shall be illuminated so as to be clearly visible from dusk until dawn.
- 2. Integrated Pest Management
 - a. Building construction shall also include sealing all walls, floor and joint penetrations with low-VOC caulking or other appropriate nontoxic sealing methods to prevent pest entry.

D. UNIT DESIGN AND CONSTRUCTION

- 1. All units shall be constructed to meet Code requirements and the following minimum bedroom areas and dimensions requirements:
 - a. The primary bedroom in each unit shall be not less than 120 square feet.
 - b. Secondary bedrooms shall not be less than 100 square feet.
 - c. No bedroom shall have a dimension less than nine linear feet.
 - d. Bedroom areas shall not include wall thicknesses, closets, hallways, or adjoining rooms, but shall be the area immediately surrounding the intended bed location.
- 2. All units shall meet the following minimum storage requirements:
 - a. A clothes closet in each bedroom shall be provided. Bedroom closets shall not be dual purposed to meet other storage requirements.
 - b. A mechanical closet (as appropriate for the system to be utilized) shall be provided. Mechanical closets shall not be dual purposed to meet other storage requirements.
 - c. A laundry room or utility closet (if included in the unit design with the intent to provide washer and dryer hook ups) shall be provided.
 - d. A multi-use storage closet or closets which total not less than 8 square feet in area shall be provided. Multi-use closets shall be equipped with shelving at multiple heights.
 - e. Larger units (three bedrooms or more) shall be provided with an entry or coat closet in addition to the multi-use closet(s).
- 3. Three- and four-bedroom units shall be provided with not less than 1.75 baths.
- 4. Single lever deadbolts and eye viewers are required on all entry doors to residential units.
- 5. Interior finishes shall be easily cleanable and durable.
- 6. Carpet shall not be installed in high moisture areas including: entryways, bathrooms, kitchens, and laundry rooms/closets. All carpet shall be CRI Green Label Plus and hard surface flooring shall be SCS Floorscore certified.
- 7. Units shall be individually marked with visible contrasting identifying signage that shall be illuminated so that it is clearly visible from dusk until dawn, as well as daylight hours.
- 8. Every room and space intended for human occupancy shall be equipped with permanent, hardwired, energy efficient light fixtures. Switched outlets will not satisfy this requirement.
- 9. Sites shall be developed and units constructed so as to include wiring and infrastructure needed to allow for access to high speed broadband internet¹, telephone, and cable/satellite television.

- Location of property makes it infeasible;
- Costs of broadband infrastructure deployment changes the nature of the project or is an undue financial burden; or
- Nature of the structure being rehabbed makes installation infeasible.

¹ Under the final HUD rule governing installation of broadband, any new and substantially rehabilitated "public housing project" of four or more units must include infrastructure capable of supporting broadband access to residents as of January 19, 2017, unless the federal fund recipient can document one of the following three grounds for waiver:

Under the new regulation, "broadband infrastructure" is defined to include cable and fiber optic wiring, as well as wireless infrastructure, that is capable of meeting the FCC's definition of "advanced telecommunication

- 10. Interior paints and sealants shall be low volatile organic compounds (VOC) or no VOC.
- 11. All appliances, including laundry equipment, shall be Energy Star rated. (Cooking appliances are exempt from this requirement).

REHABILITATION

A. GENERAL DESIGN

Rehabilitation Projects shall conform to the following provisions and requirements as described in the Rehabilitation section of this standard unless specific building and/or site conditions make compliance technically infeasible, in which case the Application must contain a Waiver of Procedure for Design Requirements, which can be found in the 2020 LIHTC Application Package. If the housing is occupied at the time of rehabilitation, any and all life-threatening deficiencies must be identified and addressed immediately. See Appendix A for a list of Inspectable Items and Observable Deficiencies, including the identification of life-threatening deficiencies (highlighted in orange) for the property site, building exterior, building systems, common areas, and units.

1. In addition, for Projects receiving federal funding, rehabilitation Projects must comply with HUD's Uniform Physical Condition Standards and all units shall be decent, safe, sanitary, and in good repair, as described in 24 CRF 5.703.

It is not the intent to burden a project with unnecessary work; however we do expect the project to have a minimum 20-year life expectancy after the work is completed.

- 2. Provisions shall be made for ACCESSIBILITY for people with disabilities in conformance with the requirements of federal and state law including the FHA and the ADA. At minimum 5 percent of the units on a Project site shall meet the provisions of a Type A accessible unit as described in the ANSI A117.1 standard. An additional 2 percent of the units shall meet the provisions of a "hearing impaired unit." Depending on the funding sources and other partner requirements, the Project may also be subject to Uniform Federal Accessibility Standards (UFAS) requirements. The development team is responsible to know and meet all accessibility requirements for their Project.
 - a. Site elements, accessible routes, buildings and units shall be constructed in accordance with the ANSI A117.1 standard.
 - b. An accessible route shall be provided to all accessible units, to all public use spaces, to all common use spaces and to site amenities (such as mail centers and dumpsters).
 - c. All common areas, including playgrounds and exercise rooms shall be made accessible in accordance with FHA and ADA requirements.
 - d. Not less than one of the Type A units provide shall be fitted with a roll-in shower which shall be constructed in conformance with the ANSI A117.1 standard.

capability." The FCC currently defines that term as broadband with at least 25 Mbps of downstream capability and 4 Mbps of upstream capability.

- e. An accessible parking space shall be provided for each designated Type A accessible unit and for the community building at the ratios required by ADA. At least one "van accessible" parking space shall be provided near the Business Office.
- 3. Rehabilitation properties shall be designed and constructed in such a way as to provide greater energy efficiency, decreased water usage, and increased durability to the buildings, units and site elements.
 - a. Rehabilitation units shall achieve a post-construction HERS score of 65 or less.
 - b. Plumbing fixtures to be replaced as part of the rehabilitation scope shall be replaced with fixtures utilizing flow rates and flush rates at the following rates: Toilets less than 1.6 GPF; Lav Faucets less than 2.0 GPM, Kitchen Faucets less than 2.5 GPM; Shower Heads not more than 2.0 GPM..
- 4. Hazardous materials assessment and remediation must be completed in accordance with EPA requirements and best practices.
 - a. Asbestos project will be assessed for the existence of asbestos-containing building materials by qualified professionals:
 - i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
 - ii. Removal of asbestos must be carried out per federal EPA and state regulations and rules.
 - b. Lead Health and Safety and Lead Safe Housing:
 - i. Lead-Based Paint
 - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than six years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling.
 - Rehabilitation of target housing must be completed in a manner which ensures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:
 - ii. Federal Regulations:
 - HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing. More information is available at: <u>http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes_/e_nforcement/lshr</u>
 - EPA Renovation Repair and Painting Rule (40 CFR Part 745) Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead- safe work practices to complete the work. Developers must ensure

contractors are properly trained and licensed. More information is available at: <u>http://www2.epa.gov/lead</u>

- HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC 12347.pdf
- OSHA Lead in Construction Rule (29 CFR Part 1926.62) Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: <u>https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STAN_D_ARDS&p_id=10641</u>

Note: Projects utilizing National Housing Trust Fund funding are also subject to the requirements of Supplement A: State of New Mexico National Housing Trust Fund Rehabilitation Standards.

B. SITE DESIGN AND DEVELOPMENT

- 1. Sites shall be improved, constructed, and monitored in accordance with the federal Clean Water Act.
- 2. Sites shall be constructed to drain away from buildings. Storm water recharge of groundwater is a goal. Ponding areas shall be made attractive but reduce risk to residents.
- 3. Parking for bicycles shall be provided at all properties at the ratio of .25 bicycle parking spaces per unit.
 - a. Senior properties so designated by HUD funding definitions applicable to the property and/or the HOPA shall be required to provide bicycle parking at the ratio of .15 spaces per unit.
 - b. Bicycle parking should be provided in secure areas outside of the unit area and in locations that do not compromise building safety or exiting. Bicycle parking at exterior locations shall be placed in highly visible locations and adjacent to the units the spaces serve. Bicycle parking may be congregate. Multiple spaces may be accomplished on a single rack. Bicycle parking racks should be fixed and permanent in nature.
- 4. Common use site areas shall include refuse collection, mail distribution, laundry, recreation and congregation. All such areas shall be connected with an accessible route.
 - a. Refuse collection areas shall be screened on all four sides, and shall offer room for recycling if such service is available in that municipality.
 - b. Mail distribution areas shall be well lit and secure but shall remain open to the tenants at all times.
 - c. If an existing Project proposed for rehabilitation has washers and dryers and/or washer/dryer hook-ups provided in each unit, then no laundry facility is required as part of the proposed rehabilitation. If existing units do not contain washer/dryer hook-ups, then laundry facilities shall be provided for tenant use at all properties with more than 20 units on the site as follows:
 - i. One each washer and dryer for every 12 units.
 - ii. Laundry facilities shall be secured and well-lit from dusk until dawn.
 - iii. An accessible clothes folding table or counter shall be provided in each laundry facility.
 - d. Site recreational areas shall be provided at all properties.

- i. Site recreational facilities shall be provided on an accessible route, shall encourage physical activity, and shall encourage community interaction.
- ii. Site recreational facilities shall include accessible play areas, shall be provided for different age groups, and shall encourage physical activity. Activities for different age groups may be combined within a common play area as appropriate.
 - a) All play areas shall be located away from high automobile traffic and shall be situated for maximum visibility from the dwelling units.
 - b) A play area for children under age 5 shall be provided within direct visibility of common spaces.
 - c) A play area for children ages 5 12 shall be provided.
 - d) For children over age 12 an area of congregation that encourages physical activity shall be provided.
 - e) Visible warning signs describing playground rules and warning that use is at one's own risk shall be provided at each play area.
 - f) An accessible, weather resistant, permanently mounted bench shall be provided at each play area.
 - g) Senior properties so designated by HUD funding definitions applicable to the property and/or the HOPA shall be exempt from the requirement to provide play areas, but shall provide areas of congregation that encourage physical activity.
- 5. Landscaping shall be required at all properties:
 - a. A complete landscape plan which maximizes existing natural features or otherwise enhances open space is required.
 - b. Native, semi-native, or drought tolerant plants shall be used.
 - c. Low water use irrigation systems shall be used.
- 6. Interior community spaces and business offices shall be provided at all properties.
 - a. All developments shall have an on-site business office of at least 200 square feet and a maintenance room of at least 100 square feet.
 - b. Accessible public restrooms, at ratios required by Code, shall be provided.

Unless required by local building codes, properties containing 20 or fewer units shall be exempt from the requirement to provide interior community spaces, public restrooms and business offices.

C. BUILDING DESIGN AND CONSTRUCTION

- 1. Exterior Building Design
 - a. Unless more stringent local zoning requirements apply, the following minimum design requirements shall be met:
 - i. Building Façades shall utilize not less than three different building materials.
 - a) Exterior building materials exposed to the elements shall be low maintenance relative to the Project's geographic location.
 - ii. Building Façades shall be multi-colored.
 - a) Each Building Façade shall include not less than two distinct colors.
 - b) Colors may be from the same hue family, but shall be distinct from each other.

iii. Buildings shall be individually marked with visible, contrasting identifying signage to minimize the response time of emergency personnel. Building identifying signs shall be illuminated so as to be clearly visible from dust until dawn.

D. UNIT DESIGN AND CONSTRUCTION

- 1. Single lever deadbolts and eye viewers are required on all entry doors to residential units.
- 2. Interior finishes shall be easily cleanable and durable.
- 3. Carpet shall not be installed in high moisture areas including: entryways, bathrooms, kitchens, and laundry rooms/closets. All carpet shall be CRI Green Label Plus and hard surface flooring shall be SCS Floorscore certified. (Applies to new flooring only.)
- 4. All hot water lines exposed as a result of the construction shall be insulated and sealed in additional rigid pipe insulation to the insulation values required by ASHRAE standards.
- 5. Bathrooms shall be equipped with exhaust vents that vent directly to the exterior of the building unless equipped with operable exterior windows with screens.
- 6. Units shall be individually marked with visible contrasting identifying signage that shall be illuminated so that it is clearly visible from dusk until dawn, as well as daylight hours.
- 7. Heating and cooling systems shall be sized in accordance with ACCA Manual J and Manual D requirements or in accordance with ASHRAE standards.
- 8. Sites shall be developed and units constructed so as to include wiring and infrastructure needed to allow for access to high speed broadband internet², telephone, and cable/satellite television.
- 9. Interior paints and sealants shall be low VOC or no VOC.
- 10. All appliances, including laundry equipment, proposed to be replaced as part of the scope of work for rehabilitation, shall be Energy Star rated.

- Location of property makes it infeasible;
- Costs of broadband infrastructure deployment changes the nature of the project or is an undue financial burden; or
- Nature of the structure being rehabbed makes installation infeasible.

² Under the final HUD rule governing installation of broadband, any new and substantially rehabilitated "public housing project" of four or more units must include infrastructure capable of supporting broadband access to residents as of January 19, 2017, unless the federal fund recipient can document one of the following three grounds for waiver:

Under the new regulation, "broadband infrastructure" is defined to include cable and fiber optic wiring, as well as wireless infrastructure, that is capable of meeting the FCC's definition of "advanced telecommunication capability." The FCC currently defines that term as broadband with at least 25 Mbps of downstream capability and 4 Mbps of upstream capability.

SPECIAL PROJECTS

A. SINGLE ROOM OCCUPANCY (SRO) DEVELOPMENTS

- 1. Tenant rooms (units) shall be 140 square feet minimum gross heated area with a maximum size of 500 square foot gross heated area.
- 2. Each unit shall be provided with at least one full size bed, a lockable storage compartment or chest of drawers, and a vertical clothes closet measuring at minimum 36 inches wide.
- 3. Each building containing units shall provide bathroom facilities.
 - a. A bathroom facility shall be provided for every 16 units or fraction thereof in that building.
 - b. Each bathroom facility shall provide bathroom fixtures at a ratio of the number of units it serves.
 - i. One sink, one shower with curtain or door and one toilet with a door shall be provided for every four units.
- 4. Each building containing units shall include a food preparation area unless provided within all units within that building.
 - a. The food preparation area shall be adequately sized for the number of units it serves.
- 5. A community center, community living area or meeting room shall be provided on the property.
- 6. Laundry facilities shall be provided for tenant use at all properties with more than 20 units.
 - a. Laundry facilities shall be secured and well-lit from dusk until dawn.
 - b. One each washer and dryer shall be provided for every 20 units.
 - c. An accessible clothes folding table or counter shall be provided in each laundry facility.

B. ADAPTIVE REUSE PROJECTS

 Adaptive reuse Projects shall be subject to the full provisions of the Mandatory Design Standards for new construction unless it is demonstrated to MFA's satisfaction that specific elements or requirements are technically infeasible to accomplish, in which case the Application must contain a detailed explanation of why a provision or requirement cannot be met.

Part B: MFA 2020 Submission Instructions for Preliminary Architectural Documentation for Multifamily Housing Applications

All Applications shall provide at the time of submission the preliminary architectural documentation of the proposed Project. This submission shall be provided to demonstrate the intent of the Project to comply with the MFA 2020 Mandatory Design Standards for Multifamily Housing, New Mexico building Codes, the FHA, the National Housing Trust Fund Rehabilitation Standards, and the 2010 ADA Standards for Accessible Design as applicable. Additionally, if applicable, provide the completed Waiver Procedure for Design Requirements form or any preliminary approval granted prior to submission of the Application.

All Applicants will be required to sign a certification stating that there have been no Material Design Changes, as defined in the QAP, between the plans and specifications submitted at Application and those contained in final construction documents. In the event there are Material Design Changes between the plans and specifications submitted at Application and those contained in final construction documents, MFA will require Applicant to submit a detailed narrative (at time of submission of final construction documents) of the changes made to the final construction documents and the reason(s) for the change(s). Changes made to the original Application may require additional MFA approval and payment of the applicable fees as described in the QAP. **Significant changes in the scope could result in the rescoring of the Application and the potential loss of tax credits.**

SITE INFORMATION

The Preliminary Architectural Documentation shall include the following:

- 1. City or jurisdiction map and detailed directions to the site.
- 2. Legal description of site.
- 3. Aerial view or satellite view of the site. The view shall show the areas adjacent to the site within a half mile of the site.
- 4. Location and Linkages map
 - a. The map shall be scaled to show the roadways within at least a half mile radius of the site.
 - b. The map shall indicate bus and/or commuter rail stops or stations within a half mile of the site.
 - c. If any of the above services are not available within the half mile radius, the map shall so state.
- 5. Color Photos

Current color photographs of the Project site (images obtained from a website are not acceptable); include images looking out toward each of the cardinal directions. If a rehabilitation Project, include images of each façade of the existing structure(s) as well as existing amenities.

- 6. Preliminary Site Plan
 - a. The site plan shall show the extents of the site and shall label adjacent roadways.
 - b. The site plan shall include a north arrow and scale.
 - c. The site plan shall show the buildings and identify the number of units to be included in each building.

- d. The site plan shall include a unit matrix giving the number, type and sizes of units to be included in the Project.
- e. The site plan shall show the preliminary parking layout and enumerate the number and type of parking spaces to be provided.
- f. The site plan shall show the locations of bicycle parking spaces.
- g. The site plan shall show the locations of site elements if required or provided, including but not limited to:
 - i. Monument signs
 - ii. Recreational and/or play areas with required features
 - iii. Community areas
 - iv. Garbage enclosures
 - v. Mail centers
 - vi. Laundry facilities
 - vii. Office spaces
 - viii. Maintenance room
 - ix. Accessible features, including but not limited to:
 - a) Accessible units
 - b) Accessible routes
 - c) Accessible parking spaces
- 7. Preliminary Landscape Plan
 - a. The Landscape plan shall show tree and plant locations and relative sizes.
 - b. The Landscape plan shall show the plant types anticipated for use.
 - c. The Landscape plan shall describe the irrigation system to be used.
- 8. Preliminary Building Plans
 - a. Building plans shall be provided showing the ground floor layouts for each building type to be included in the Project.
 - b. Building plans shall be provided showing the typical upper floor layouts for each building type to be included in the Project.
 - c. Building plans shall call out the following spaces, if required or provided, and show their locations relative to the remainder of the building elements on that floor:
 - i. Laundry facilities
 - ii. Community rooms
 - iii. Accessible units
 - iv. Leasing/program/special services offices
 - v. Maintenance rooms
 - vi. Elevators
- 9. Preliminary Building Exterior Elevations
 - a. Building elevations shall be provided for each building type.
 - b. Building elevations shall describe the following attributes:
 - i. Building height
 - ii. Exterior materials
 - iii. Colors and/or color schemes

- iv. Building signage
- v. Building lighting
- vi. Vertical circulation if provided
- 10. Preliminary Unit Plans
 - a. Unit plans shall be provided for each typical unit type.
 - b. Unit plans shall be provided for all accessible units.
 - c. Unit plans shall describe the following attributes:
 - i. The overall layout of the rooms or spaces
 - ii. Bedroom locations, numbers and square footage
 - iii. Linear dimensions for bedrooms
 - iv. Storage closets
 - v. Mechanical systems to be used with space requirements and space locations
 - vi. Lighting layout
 - vii. Kitchen cabinetry and appliances
 - viii. Doors and swings
 - ix. Laundry equipment and/or hook ups if provided
 - x. Accessible features, clear floor spaces and clear turning spaces
- 11. Preliminary Specifications:
 - a. Preliminary specifications shall be provided for all Projects.
 - b. The preliminary specifications shall describe the following aspects of the work:
 - i. Proposed building systems, including but not limited to:
 - a) The exterior envelope including windows, doors, roofing and wall surface finishes
 - b) The building insulation systems
 - c) The structural systems
 - d) The mechanical systems
 - e) The plumbing and hot water systems
 - f) The electrical systems
 - g) The lighting systems
 - i. Proposed interior fixtures, finishes and installations, including but not limited to:
 - a) Cabinetry
 - b) Appliances
 - c) Wall and ceiling finishes
 - d) Floor finishes
 - e) Plumbing fixtures and trim
 - f) Electrical fixtures and trim
 - g) Interior doors
- 12. Rehabilitation Scope of Work Narrative: (Required for all rehabilitation projects)
 - a. A rehabilitation scope of work shall be provided for all rehabilitation Projects.
 - b. The rehabilitation scope of work shall describe the following:
 - i. Proposed changes to the site to remove barriers to accessibility
 - ii. Proposed changes to the buildings to provide a minimum 5 percent accessible units
 - iii. Proposed strategy to achieve a maximum HERS certification of 75 or better

- iv. Proposed changes to the site to meet the requirements of the Mandatory Design Standards: Rehabilitation Section B
- v. Proposed changes to the buildings to meet the requirements of the Mandatory Design Standards: Rehabilitation Section C
- vi. Proposed changes to the units to meet the requirements of the Mandatory Design Standards: Rehabilitation Section D
- vii. A detailed description of all demolition activities
- 13. For projects utilizing National Housing Trust Fund funding, a certification that the design is in compliance with all of the requirements of the State of New Mexico National Housing Trust Fund Rehabilitation Standards.

CAPITAL NEEDS ASSESSMENT (CNA) REQUIREMENTS

As required by the 2020 QAP, all rehabilitation and adaptive reuse projects must provide a CNA with the Application if requesting an exception from the 20-year requirement, prior to the issuance of the letter of determination for tax-exempt bond finance projects, or at carryover for all other projects.

Professionals performing the CNA must meet the following minimum qualification/certification requirements set forth by MFA.

- Must be prepared by an independent, third-party professional not involved in the design or preparation of drawings and specifications for the project.
- Must have no financial interest in the Project, and must have no identity of interest with the Developer or Co-Developer or personal interest with respect to the parties involved.
- Preparer must demonstrate a minimum of five years' experience performing CNAs. Experience may be demonstrated by submitting a resume', list of projects, applicable AIA form, or other documentation containing information on the project and year the CNA was completed.
- The preparer must submit the Certification of Qualified Professional CNA form found in the 2020 LIHTC Application Package.

Supplement A

State of New Mexico National Housing Trust Fund Rehabilitation Standards

I. PURPOSE OF STANDARDS

- A. This supplement combined with the 2020 MFA Mandatory Design Standards for Multifamily Housing shall comprise the National Housing Trust Fund Rehabilitation Standards (known herein as the "NHTF Standards").
- b. The NHTF Standards are designed to outline the requirements for building rehabilitation for all New Mexico Mortgage Finance Authority (MFA) National Housing Trust Fund (NHTF) funded multifamily housing projects. All renovation activities performed on an NHTF-funded project must conform to these rehabilitation standards.
- B. The goal of the MFA NHTF program is to provide functional, safe, affordable, and durable housing that meets the needs of the tenants and communities in which the housing is located throughout its affordability period.
- C. Through use of the NHTF Standards, all health and safety deficiencies must be addressed and corrected.

II. QUALITY OF WORK

- A. Quality of Work: Grantees and developers will ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications, as well as subsequent mutually agreed upon change orders during the construction process. Grantees and developers will employ best practice industry standards relating to quality assurance to verify all work completed.
- B. Project Design Professionals
 - 1. Projects will be designed by licensed professionals per 14.5.2 New Mexico Administrative
 - Codes (NMAC) Permits.
 - 2. The project developer will formally contract with licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable federal, state and local codes. (See Section III below.)
 - 3. In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices, installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA), Architectural Woodwork Institute (AWI), Sheet Metal and Air Conditioning Contractors' National Association (SMACNA), and AFME.
- C. By meeting the various code requirements as a minimum standard, together with the other standards herein or in attendant MFA policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.

D. Warranties will be required per the standard construction contracts on all materials, equipment and workmanship.

III. SCOPE OF WORK DETERMINATION

A. In developing scopes of work, grantees and developers will work with MFA staff to ensure that all requirements under the NHTF Standards are satisfied and that the proposed scope of work meets the goals of Part I above. MFA approval of all scopes of work is required.

IV. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING

- A. In developing scopes of work on housing rehabilitation projects, MFA NHTF grantees and developers will consider the remaining expected useful life of all building components with regard to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable NHTF period of affordability (30 years) will be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years will be considered for future replacement.
- B. Project CNAs will be required. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every five years during the life of the project to ensure projected capital needs through the 30 year NHTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first five year update will be done in year 5 and cover years

6-25. The second 5-year update will be done in year 10 and will cover years 11-30.

- C. Once a scope of work has been developed by the grantee and their development team, the grantee must also develop a Capital Plan. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate funding to be viable for at least 20 years, the length of the capital plan, with subsequent updates every five years during the 30-year affordability period.
 - Example #1: Kitchen cabinets with a remaining useful life of eight years may be permitted to be left in place and not included in the rehabilitation scope. However, adequate funding must be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
 - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since MFA requires updates of CNA's for NHTF projects to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6 to 25. During these 5- year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Annual replacement reserves contributions of at least \$250 per unit per year (pupy) for senior projects and \$300 pupy for general occupancy projects are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent five year updates) indicate that replacement costs for the period exceed the amount generated by the respective pupy contributions, a higher pupy contribution will be required.
- E. Grantees and their development teams should ensure that all site and building systems and components are analyzed to ensure that they will remain viable and serviceable throughout the affordability period. The analysis of some systems (the structural system for example), may require professional investigation, review and documentation.

VII. DISASTER MITIGATION

A. To the extent applicable/relevant, the housing must be improved to mitigate the potential

impact of potential disasters (e.g. earthquakes, floods, wildfires) in accordance with state or local codes, ordinances and requirements or such other requirements that HUD may establish.

- B. Specifically regarding flood hazards:
 - 1. Projects must meet FEMA federal regulation, and HUD's floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
 - 2. Projects must meet fluvial erosion prevention requirements per local municipality regulations.
- C. Specifically regarding earthquakes:
 - 1. Projects located in earthquake prone regions must be assessed by a registered structural engineer for compliance with Section 707 of the 2009 International Existing Building Code.
 - Projects located in earthquake-prone regions must further complete soils testing and grading of the soils by a registered soils engineer in accordance with the 2009 International Building Code Requirements. Such soils classifications will be used to determine if voluntary improvements of the seismic force-resisting system (Section 707.6 2009 IEBC) will be voluntary or compulsory.
- D. Specifically regarding wildfires:
 - 1. Projects located in wildfire-prone areas or which are located next to large expanses of forest, brush, open fields, or within predominantly natural landscapes will make efforts to reduce exposure to wildfires.
 - Projects located in wildfire-prone areas will utilize best practices to protect the project including readily available information provided through the U.S. Forest Service and NFPA Firewise Community Program. Such efforts toward preparation will include basics of defensible space and sound landscaping techniques. Additional information can be found at <u>www.firewise.org/wildfire-preparedness.aspx</u>.

PART F

MFA RECAPTURE/AFFORDABILITY GUIDELINES

When necessary, MFA will require repayment of the outstanding amount of HOME funds in the event of noncompliance with HOME affordability requirements. Noncompliance occurs when, if at any time during the period of affordability: 1) the original HOME-assisted homebuyer fails to occupy the unit as the principal residence (i.e., the unit is rented or vacant), or 2) the home is sold and the recapture provisions are not enforced. Affordability is ensured through the recordation of restrictive covenants accompanied by a lien filed on the property.

Maintaining Affordability

In general, all HOME activities require the borrower or beneficiary to execute, at a minimum, a Restrictive Covenants Agreement or Tribal Land Award Agreement. Loans are due upon sale or transfer of the property, with some exceptions in owner-occupied rehabilitation. 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 MFA's Owner-Occupied Rehabilitation program, these liens can assume a variety of positions, including first. Finally, in the case of MFA's 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, depending upon the activity.

MFA ensures long-term affordability of assisted properties as follows:

For homebuyer properties, MFA has chosen the recapture provision over the resale option as discussed in HOME regulations at 24 CFR 92.254(a)(5). This is discussed in more detail in the following subsection.

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.

RENTAL Activity	Average Per-Unit HOME	Minimum Affordability Period
Rehabilitation or Acquisition of	<\$15,000	5 years
Existing Housing	15,000 - \$40,000	10 years
	>\$40,000	15 years
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 files an answer and monitors the foreclosure. If there are any excess funds at the foreclosure sale, MFA will file a claim for those funds. This demonstrates that MFA has made every effort to recover the HOME funds on behalf of HUD. For all homeowner activities, recapture provisions must be limited to net proceeds, and MFA's repayment obligation is limited to the amount of the HOME subsidy, if any, that it is able to recover. For rental activities, per §92.252(e)(4), the termination of the restrictions on the project does not terminate the participating jurisdiction's repayment obligation under §92.503(b). However, in §92.252(e)(2), though, "the participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure in order to preserve affordability." 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 guidelines:

Under the Down Payment Assistance Program, homebuyer projects are subject to a Note and Mortgage with a recapture provision. The length of the affordability period is based on the amount of HOME funds provided as a direct subsidy to the homebuyer, as shown in the table below.

Amount of HOME Subsidy to the Buyer	Minimum Affordability Period
<\$15,000	5 years
15,000 - \$40,000	10 years
>\$40,000	15 years

A direct subsidy is funding that makes a home more affordable to a homebuyer, and includes down payment and closing cost assistance as well as the difference between fair market value and the sale price, or the amount of a soft second mortgage that makes the home affordable to the buyer.

The borrower executes notes and mortgages for these loans as well as a HOME written agreement (i.e. MFA Disclosure to Buyer). The HOME-assisted homebuyer may sell the unit to any person, at any price the market will bear, at any time during the period of affordability. However, if the property is sold or transferred during the period of affordability, these recapture provisions apply:

In the event there are sufficient net proceeds from the sale to repay the total amount of the borrower's initial investment (down payment) and the outstanding HOME balance, then both parties shall recover their investments. The borrower will pay to lender the entire

balance due on the loan. Additional proceeds will be shared between the borrower and the lender.

In the event, however, the net proceeds from the sale or transfer of the property are **not** sufficient for the borrower to recover its initial investment and repay the outstanding HOME loan balance, then MFA will permit the borrower to recover its down payment first, and the remaining amount of net proceeds from the sale will then be recaptured. Upon recapture, the borrower's loan will be considered satisfied. MFA will never recapture more than the amount of net proceeds than are available. If there are no net proceeds from the sale or transfer, then no HOME funds will be recaptured and the loan will be considered satisfied. The term "Net Proceeds" means the sales price of the property, less the amount necessary to repay any loans superior to the HOME mortgage secured by the property, and less any closing costs associated with such sale or transfer. (That is: Net proceeds are defined as: Sales Price - Superior (non-HOME) debt - Closing costs = Net Proceeds). The amount to be recaptured will be limited to the available net proceeds.

Homebuyers must agree to reside in the HOME-assisted property for the duration of the period of affordability, or until there is a sale or other transfer of ownership of the property. MFA will monitor principal residency throughout the period of affordability. First, as a lien holder, MFA will be notified upon a sale of the property, and second, MFA is a loss payee on the hazard insurance and would be advised of any change in the insurance coverage. Should the homebuyer cease to reside in the home as its principal residence by vacating or renting the unit during the period of affordability, then the outstanding amount of the down payment assistance loan will be due and payable immediately, and the lender will take legal action to enforce the residency requirement.

Any variation on this recapture provision must be submitted to the State of New Mexico for review and approval by the State and by HUD.

PART G

MFA Emergency Solutions Grant (ESG) Written Standards


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INTRODUCTION

In accordance with Title 24 of the Code of Federal Regulations, specifically 24 CFR 91.220(I)(4)(i) and 576.400(e)(1), New Mexico MFA (MFA) and the Albuquerque and Balance of State Continuums of Care (NM CoCs) have developed the following written standards for the provision and prioritization of Emergency Solutions Grant (ESG) funding. The following standards are intended as basic, minimum standards to which individual ESG recipients may add additional and more stringent standards applicable only to their own projects. These required minimum standards help to ensure that the ESG program is administered fairly and methodically. MFA and the NM CoCs will continue to build upon and refine this document.

BACKGROUND

MFA is awarded ESG funds annually from the Department of Housing and Urban Development (HUD) as part of the Annual Action Plan Process. These funds are designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) significantly amended the McKinney-Vento Homeless Assistance Act, including major revisions to the Emergency Shelter Grants program, which was renamed the Emergency Solutions Grants program. The HEARTH Act, and implementation of the applicable federal regulations by HUD, incorporated many of the lessons learned from the implementation of the Homelessness Prevention and Rapid Re-Housing Recovery Act Program (HPRP) into the new ESG program, including placing a stronger emphasis on rapid re-housing assistance.

PROGRAM OVERVIEW

The ESG Program allows MFA to set priorities based on the individualized needs of communities across the state of New Mexico as identified in MFA's Consolidated Plan. These standards serve to outline the specific guidelines and priorities that will be used by MFA in awarding and administering ESG funding. Currently, eligible program components that are prioritized under MFA's ESG Program are emergency shelter, homeless prevention, rapid re-housing, housing stability case management, housing search and placement and HMIS. MFA and NM CoCs may revise ESG component priority in subsequent years based on the needs of the community.

STANDARDS APPLICABLE TO ALL PROGRAMS

The following standards are intended as basic, minimum standards that apply to all ESG projects.

PROGRAM ELIGIBILTY BY HOMELESS STATUS

Every participant served with ESG funds must qualify for assistance according to HUD standards. Subrecipients are responsible for determining eligibility status for all ESG program participants and are required to obtain documentation at intake of homelessness, imminent risk or at-risk of homelessness status. This documentation must show that the "Order of Priority for Obtaining Evidence of Homelessness" was followed at intake, as defined in Appendix D and in 24 CFR 576.500. A copy of the documentation must be kept in the participant file and made available to MFA, the NM CoCs and HUD for monitoring or risk analysis purposes. Complete details regarding participant eligibility for ESG-funded programs are outlined in Appendix B and C.

STREET OUTREACH

Street Outreach services shall target unsheltered, homeless individuals and families, defined as those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground. No more than 60% of the ESG funds per can be spent on the Street Outreach component.

EMERGENCY SHELTER

Individuals and families eligible for Emergency Shelter assistance must meet HUD's Definition of Homelessness. (See Appendix B)

RAPID RE-HOUSING

Individuals and families eligible for Rapid Re-Housing assistance must meet HUD's Definition of Homelessness. (See Appendix B)

There is no income limit upon intake for this program. All participants must meet the ESG income limits of at or below 30% of the area median income (AMI) for the area upon annual recertification.

HOMELESS PREVENTION

Individuals and families eligible for Homeless Prevention assistance must meet HUD's Definition of Imminent Risk or At-Risk of Homelessness. (See Appendix C)

Additionally, Homeless Prevention projects must only serve individuals and families that meet the ESG income limits of below 30% of the area median income (AMI) for the area.

Income limits can be found at https://www.huduser.gov/portal/datasets/fmr.html

THE NEW MEXICO COORDINATED ENTRY SYSTEM (NMCES)

To ensure homeless households receive immediate housing and to minimize barriers to housing access, all sub-recipients will be required to assist program participants in accessing resources through the New Mexico Coordinated Entry System (NMCES) and accept (where applicable) all referrals for housing from the NMCES. Coordinated Entry is a state-wide process for facilitating access to all resources designated for individuals and families experiencing homelessness. This system ensures that every homeless individual or family is known by name and is provided assistance based on the individual or family's unique needs and matches them to the most appropriate service strategy or housing intervention. The NMCES ensures system coordination among emergency shelters, essential service providers, homeless prevention providers, rapid re-housing providers, other homeless assistance providers, and mainstream services and housing providers.

Sub-recipients will have, at a minimum, one staff member who is trained and certified in conducting the common assessment tool used by the NMCES. The NMCES uses the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT) as its common assessment tool. To the maximum extent practicable, households presenting for assistance will be assessed using the VI-SPDAT. All completed assessments must be entered into the NMCES, in accordance with NMCES Policies and Procedures. (See nmceh.org or email info@nmceh.org for more information.)

Where the sub-recipient is unable to administer the VI-SPDAT, households that present for service will be provided appropriate referrals to NMCES.

Note: A victim services provider may choose not to use the CoC's centralized or coordinated assessment system (24 CFR 576.400(d)).

FAIR HOUSING

Sub-recipients will not prohibit access to ESG funded programs to anyone who would otherwise be eligible for assistance based on race, color, religion, national origin, sex, age, familial status, disability type, actual or perceived sexual orientation, gender identity or marital status. Sub-recipients will post publicly a HUD-issued Fair Housing notice, in a place that is visible to all program participants and persons who present for assistance or services.

EQUAL ACCESS

Units of general local government and nonprofit organizations shall make it known that facilities and services supported by this grant are available to any person (who otherwise meets the eligible criteria for the program) in accordance with the Equal Access Rule (24 CFR 5.105(a)(2)) which prohibits discriminatory eligibility determinations in HUD-assisted or HUD-insured housing programs based on actual or perceived sexual orientation, gender identity, or marital status, including any projects funded by ESG Programs. The ESG Interim Rule also contains a Fair Housing Provision at 24 CFR 576.407(a)(b).

It is allowable for shelters or housing programs to exclusively serve families with children, but they must serve all types of families with children including both male and female headed households. The housing or shelter may also be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex.

Providers that operate single-sex projects must provide all individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, with access to programs, benefits, services, and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation.

AFFIRMATIVE OUTREACH

Sub-recipients must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. To this end, the sub-recipient must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, sub-recipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

Sub-recipients will market their program in an ongoing effort to assure that potential participants who are least likely to access the program, (without regard to race, color, national origin, sex, religion, familial status, sexual orientation, and disability) have access to the program. Sub-recipients will document efforts to conduct outreach to educate those least likely to access resources. Affirmative marketing strategies will include efforts to communicate information regarding services and resources available through the program, eligibility requirements, and information about how the program participates in the NMCES.

Methods outlined in the sub-recipient's marketing strategy may include:

- Distributed printed materials
- Postings to agency website and/or social media accounts
- Public listings through community resource services
- Education provided to community partners

COORDINATION WITH OTHER TARGETED HOMELESS SERVICES

ESG-funded programs must coordinate and integrate, to the maximum extent practicable, eligible activities with other programs targeted to homeless people in their geographical region. Efforts to coordinate with other targeted homeless services must be documented by sub-recipients. These programs may include, but are not limited to:

- Continuum of Care Program (24 CFR 578)
- Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR 882)
- HUD—Veterans Affairs Supportive Housing (HUD–VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008))
- Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.))
- Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa– 5))
- Healthcare for the Homeless (42 CFR part 51c)
- Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.))
- Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc–21 et seq.))
- Services in Supportive Housing Grants (section 520A of the Public Health Service Act)
- Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 et seq.))
- Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975))
- Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021)
- Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043)
- VA Homeless Providers Grant and Per Diem Program (38 CFR part 61)
- Health Care for Homeless Veterans Program (38 U.S.C. 2031)
- Homeless Veterans Dental Program (38 U.S.C. 2062)
- Supportive Services for Veteran Families Program (38 CFR part 62)
- Veteran Justice Outreach Initiative (38 U.S.C. 2031)

OTHER FEDERAL, STATE, LOCAL, AND PRIVATE ASSISTANCE

ESG-funded programs must support each program participant, as needed, in obtaining other federal, state, local, and private assistance, the end goal being housing stability. Assistance provided to program participants must be documented by sub-recipients. Assistance programs include:

- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants and Children (WIC)
- Federal-State Unemployment Insurance Program
- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)

- Child and Adult Care Food Program
- Public housing programs
- Housing programs receiving tenant-based or project-based assistance
- Supportive Housing for Persons with Disabilities
- HOME Investment Partnerships Program
- Temporary Assistance for Needy Families (TANF)
- Health Center Program
- State Children's Health Insurance Program
- Mental Health and Substance Abuse Block Grants
- Services funded under the Workforce Investment Act

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) 24 CFR 576.107

All ESG funded programs are required to enter participants in the NM Homeless Management Information System (NM-HMIS) at first contact, reassessment, and exit, per current HMIS Data Standards. Programs that are specifically forbidden by other statutes or regulations to participate in HMIS, (e.g., victim service providers) must participate utilizing an approved comparable database to meet reporting requirements. New Mexico victim service providers currently utilize the Osnium database for this purpose.

All participating agencies must collect and maintain common data fields as determined by current HUD data standards and as applicable to all relevant federal regulations. This requirement helps to ensure coordination between service providers through NMCES while avoiding duplication of services and client data and provides an opportunity to document eligibility for assistance. Sub-recipients must enter and maintain all data required to complete all reporting requirements established by HUD, MFA, and the NM CoCs. All NM-HMIS participating agencies must also adhere to the policies and procedures outlined in the NM-HMIS Standard Operating Procedures, including timely, accurate, and complete data quality management.

CONFIDENTIALITY OF RECORDS

All ESG-funded programs must uphold all privacy protection standards established by the NM-HMIS Standard Operating Procedures and relevant federal and state of New Mexico confidentiality laws and regulations that protect client records. Confidential client records may only be released with the participant's or the participant's guardian's consent, unless otherwise provided for in the pertinent laws and regulations. All required HMIS forms can be found within the NM-HMIS database program.

VERBAL EXPLANATION

Prior to every participant's initial assessment, ESG-funded programs must provide a verbal explanation to the participant of how their personal information will be entered into an electronic database that

stores client information. The participant must also be given a verbal explanation of the NM-HMIS Client Consent Form terms.

WRITTEN CONSENT

After being provided a verbal explanation, each participant who agrees to have their personally identifiable information (PII) entered into the NM-HMIS must sign the NM-HMIS Client Consent Form. (Exception: verbal consent to enter PII into the NM-HMIS may be obtained during a phone screening, outreach, or diversion, provided that the sub-recipient obtains the participant's written consent at the next available opportunity.) Participants must be informed that they may be removed from the database at any time at their request. Those who do not sign the Consent Form are entered into NM-HMIS using only an identifier number.

TERMINATION OF ASSISTANCE

Sub-recipients may terminate assistance to participants who violate program requirements as outlined below, in accordance with 24 CFR 576.402(a)(b)(c).

If a program participant violates written program requirements, the sub-recipient may terminate assistance in accordance with a formal process established by the sub-recipient that recognizes the rights of individuals affected. The sub-recipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

When terminating rental assistance or housing relocation and stabilization services, the required formal process shall minimally consist of:

- A written notice to the program participant containing a clear statement of the reasons for termination; and
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

Termination does not bar the sub-recipient from providing further assistance at a later date to the same family or individual.

GRIEVANCE PROCEDURES

All ESG sub-recipients must create a formal standardized grievance process which they must incorporate into their internal policies and procedures and at a minimum include:

• An established escalation process if no resolution is found through initial efforts

- A designated grievance liaison within the agency
- A standard grievance form that can be filled out and returned to a grievance liaison

Participants are informed, at initial intake, of their right to file a grievance and that no services will be denied based on complaints or grievances. In the event that a grievance is filed, participants must be provided with contact information for the agency's director, the MFA program manager, and/or a HUD representative, if applicable. The signed grievance form is to be kept in the participant's permanent file. (Refer to the MFA Performance Agreement (contract), Article 20, "Maintenance of Grievance System).

FAITH-BASED ACTIVITIES

Minimum standards for faith-based activities (24 CFR 576.406) are:

- Providers receiving ESG funding shall not engage in inherently religious activities as part of the ESG-funded programs or services. Such activities must be offered separately from ESG-funded programs and services and participation must be voluntary.
- A religious organization receiving ESG funding retains independence from the government and may continue with its mission provided that ESG funds are not used to support inherently religious activities. An ESG-funded organization retains its authority over its internal governance.
- An organization receiving ESG funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
- ESG funding shall not be used for the rehabilitation of structures used specifically for religious activities but may be used for rehabilitating structures that are used for ESG eligible activities.

HOMELESS REPRESENTATION

Sub-recipients must ensure that, to the maximum extent practicable, not less than one homeless individual or formerly homeless individual participates on the board of directors or other equivalent policymaking entity of the agency, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive ESG funds. (24 CFR 576.405)

If the sub-recipient is unable to meet requirements outlined in the above paragraph, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive ESG funds. This plan must be included in the annual action plan, as required at 24 CFR 91.220.

To the maximum extent practicable, the provider must also involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

PROGRAM EVALUATION

MFA will provide assistance to NMCEH in developing annual performance standards for evaluating the effectiveness of ESG program funded activities. Sub-recipient performance will be evaluated annually, and performance outcomes will be considered in allocating funding.

At a minimum, the performance standards will address the degree to which ESG sub-recipients are succeeding in:

- Targeting those who most need assistance; and
- Reducing the number of people living on the streets or in emergency shelter; and
- Reducing the time people spend homeless; and
- Reducing program participants' housing barriers or housing stability risks; and
- Improving HUD System Performance Measures; and
- Submitting an accurate and timely annual CAPER

STREET OUTREACH STANDARDS

Street Outreach should be principally focused on one goal: supporting persons experiencing homelessness in achieving some form of permanent, sustainable housing. While Street Outreach teams may use incentives to encourage trust and build relationships, or to ensure that homeless households' emergency needs are met, the awards should be used with permanent housing as the end goal rather than simply seeking to alleviate the burden of living on the streets.

ESG street outreach funds may be used for the costs of providing essential services necessary to reach out to unsheltered persons, connecting them with emergency shelter, housing, or critical services and providing urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Individuals and families shall be offered the following eligible Street Outreach activities, as needed and appropriate: engagement, case management, emergency health services, mental health services and transportation (24 CFR 576.101).

TARGET POPULATION

Providers of Street Outreach services shall target unsheltered homeless individuals and families, meaning those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including but not limited to a car, park, abandoned building, bus or train station, airport, or camping ground, and who would not otherwise access homeless services.

NM COORDINATED ENTRY SYSTEM

All individuals and families served through street outreach programs should be assessed using a comprehensive, universal assessment tool, the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT), in order to make an informed and objective decision on the level of need of each family and streamline eligibility determinations. All completed assessments must be submitted to

the NMCES program or entered into the NM-HMIS database in accordance with NMCES Policies and Procedures.

EMERGENCY SHELTER STANDARDS

ESG funds may be used for the following costs:

- Essential Services
- Shelter Operations
- HMIS/Osnium

An emergency shelter is any facility with the primary purpose of providing temporary shelter for the homeless in general or for a specific population of the homeless. Emergency shelters will not require occupants to sign leases or occupancy agreements.

Per regulation 24 CFR 576.100, no more than 60% of the ESG grant can be expended on the Emergency Shelter Activities/Street Outreach component of the program. Because the EHAP award for subrecipients includes ESG and State Homeless funding, the ESG allocations to Emergency Shelter and Street Outreach will be managed by MFA.

Shelter stays should be avoided, if possible, and when not possible, limited to the shortest time necessary to help participants regain permanent housing. Households should only be referred to ESG-funded emergency shelters after exhausting all available options for diversion. Emergency shelter programs should be closely linked to the New Mexico Coordinated Entry System (NMCES) to ensure residents are referred to the most appropriate housing resources including, but not limited to, rapid rehousing and permanent supportive housing.

ELIGIBLE PARTICIPANTS

ESG-funded emergency shelter programs serve individuals and families who meet the Definition of Homelessness as defined in 24 CFR 576.2 (see also Appendix B). This includes those who lack a fixed, regular, and adequate nighttime residence; cannot be served by other programs or resources; and have no other options for overnight shelter.

ADMISSION

Sub-recipients must develop clear and standard policies and procedures regarding admission to the shelter when need exceeds available resources. Admission policies and procedures must be applied consistently for all households presenting for assistance and take into account the varying needs of people who are homeless. Emergency shelters will prioritize individuals/families in the following situations:

- Those who cannot be diverted; and
- Those who are literally homeless; and

- Those who can be safely accommodated in the shelter; and
- Those who are not in need of emergency medical or psychiatric services, including those who do not appear to pose a danger to themselves or others

No shelter may deny entry based on disability status. Victims of domestic violence who are actively fleeing a domestic violence situation should be referred to a specialized domestic violence shelter, when possible, regardless of where they first access the shelter system.

RECORDKEEPING REQUIREMENTS

Sub-recipients may document homeless status through a certification by the individual or head of household as the primary method of establishing homeless eligibility. (See Appendix D for complete list of requirements)

NMCES

Sub-recipients must offer all individuals/families that enter the shelter an opportunity to complete the common assessment tool for the NM Coordinated Entry System (NMCES) within the first seven days of their stay. The NMCES uses the VI-SPDAT as its common assessment tool. This will allow shelters to connect families and individuals experiencing homelessness to the most appropriate long-term housing option available through the Coordinated Entry System. All ESG-funded programs must also post notice providing information about the NMCES in a place that is visible to all persons presenting for services.

PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION

Any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or other factors, is considered to be a family and must be served together as such. Further, any shelter receiving funds under the ESG programs, including faith-based organizations, cannot discriminate against a group of people presenting as a family based on the composition of the family (e.g., adults and children or adults only), the age of any family member, the disability status of any member of the family, marital status, actual or perceived sexual orientation, or gender identity. Further, the age and gender of a child under age 18 must not be used as a basis for denying any family admission to any shelter receiving ESG funds.

Child School Enrollment and Connection to Services

Emergency Shelters will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including Title 1, early childhood programs such as Head Start, and parts B and C of the Individuals with Disabilities Education Act. Sub-recipients that serve households with children will post publicly, and/or provide for households with children at intake, notice of education services available within the community, and document efforts to verify that children are enrolled in school and connected to appropriate services.

SAFETY AND SECURITY

Emergency Shelter programs must create policies and procedures that minimize barriers and follow harm-reduction methods to the maximum extent practicable, while also creating a safe environment for shelter participants and staff. Policies and procedures may vary depending on the shelter population being served.

LENGTH OF STAY

Emergency shelters must develop clear, standard policies and procedures regarding length of stay. Policies and procedures must be applied consistently for all program participants and take into account the varying needs of people who are homeless. When possible, people with long-term, serious disabilities should be allowed to stay until they are able to access permanent supportive housing.

SUPPORTIVE SERVICES

While shelter staff may encourage trust and build relationships by discussing non-housing related topics with shelter residents, the primary purpose and ultimate goal of all resident interactions should be to ensure that participants obtain permanent housing as quickly as possible. Emergency shelter programs will connect shelter residents to other federal, state, local, and private assistance as outlined under "Standards Applicable to All Programs." Interactions that include discussion of setting or making progress towards housing goals and connection to other resources must be documented by the emergency shelter and kept in the participant file.

HABITABILITY STANDARDS FOR EMERGENCY SHELTERS

Shelters receiving ESG program funds must meet HUD's Minimum Habitability Standards for Emergency Shelters. A Minimum Habitability Standards Inspection must be conducted at the shelter annually. The inspection may be completed by a shelter employee via video recording and documentation provided to MFA. MFA can also conduct inspections via WebEx/Zoom or as a part on an on-site monitoring visit.

LEAD-BASED PAINT REQUIREMENTS

All ESG-funded housing programs must incorporate lead-based paint remediation and disclosure requirements. Generally, these provisions require the sub-recipient to screen for, disclose the existence of, and take reasonable precautions against the presence of lead-based paint in buildings built prior to 1978. However, there are specific requirements for shelters that are outlined in detail in the EHAP Program Manual as well as the annual EHAP Performance Agreement. Shelters must have a detailed policy to ensure that this process is followed and meets all applicable federal guidelines.

HOMELESS PREVENTION & RAPID REHOUSING STANDARDS

Homeless Prevention (HP) assistance includes housing relocation and stabilization services and/or shortand/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph 1 of the homeless definition in 24 CFR 576. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing.

Rapid Re-Housing (RRH) assistance includes housing relocation and stabilization services and shortand/or medium-term rental assistance to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA), during the period of time covered by the URA payments.

PRIORITIZATION

HOMELESS PREVENTION

Programs must target households at greatest risk of homelessness and assist participants to increase household income during enrollment. Households must be prioritized using a standardized assessment policy that is applied consistently for all households presenting for need.

RAPID RE-HOUSING

Assistance targets and prioritizes homeless families who are most in need of temporary assistance and are most likely to achieve and maintain stable housing, whether subsidized or unsubsidized, after the program concludes. All sub-recipients are required to select program participants through the NMCES, in accordance with the prioritization system outlined in CoC RRH Written Standards that cover their program area.

ELIGIBLE PARTICIPANTS

HOMELESSNESS PREVENTION

- Individuals or families who meet HUD's definition of imminent risk or at-risk of homelessness. (See Appendix C)
- Homeless Prevention sub-recipients must only serve individuals and families that meet the ESG income limits of **below** 30% of the area median income (AMI) for the area.

RAPID RE-HOUSING

- Individuals or families who meet HUD's definition of homelessness. (See Appendix B)
- Income limits are not imposed for Rapid Re-Housing individuals or families upon intake however they must be **at or below** 30% of the area median income (AMI) for the area at annual recertification.

RECORD KEEPING REQUIREMENTS

Sub-recipients must establish and follow written intake procedures to ensure compliance with HUD's Definition of Homelessness, Imminent Risk and At-Risk of Homelessness and recordkeeping requirements.

EVIDENCE OF HOMELESS STATUS

Sub-recipients must make effort to obtain documentation providing evidence of homeless status as stated in the Order of Priority for Obtaining Evidence of Homelessness (see Appendix D)

- Individuals Residing in an Institution: For individuals residing in an institution (including a jail, substance abuse or mental health treatment facility, or hospital) for fewer than 90 days, acceptable evidence includes:
 - a) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution that demonstrates the person resided there for less than 90 days. All oral statements must be recorded by the intake worker; or
 - b) Certification from the person seeking assistance. Where the evidence above is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in the paragraph above and a certification by the individual seeking assistance that states that they are exiting or have just exited an institution where they resided for less than 90 days: and
 - c) Evidence of literally homeless status prior to entry. Evidence that the individual was homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter, and was chronically homeless prior to entry into the institutional care facility (as defined in paragraph (1) of 25 CFR 578.3) (acceptable documentation listed above).

EVIDENCE OF AT-RISK OR IMMINENT RISK OF HOMELESSNESS STATUS

Sub-recipients must make effort to obtain documentation providing evidence of at-risk or imminent risk of homeless status in the order of priority listed below:

1. Source Documents: Notice of termination from employment, unemployment compensation statement, bank statement, health care bill showing arrears, utility bill showing arrears, a Notice to Quit or Notice to Terminate (see MFA RAP Program Manual).

- 2. Third Party Documentation: To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or written certification by the intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria of the definition of "at risk of homelessness."
- 3. Intake Worker Observation: If source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence.

SECURING AND MAINTAINING HOUSING

Sub-recipients will assist participants, to the maximum extent practicable, in reducing barriers to securing or maintaining housing, including connection to appropriate resources, efforts to resolve matters related to poor rental history or bad credit, and obtaining identification.

Sub-recipients will follow Housing First Principles. Participants will not be screened out for having too little or no income, a history of or active substance abuse, a criminal record (except for state mandated restrictions, or a history of victimization from domestic violence, sexual assault, or childhood abuse. Participants will not be terminated from the program for failure to participate in supportive services outside of the required monthly meeting with a case manager, failure to make progress on a service plan, loss of income or failure to improve income, or any other activity not covered in a lease agreement typically found for unassisted persons in the area.

RAPID REHOUSING

Sub-recipients will assist rapid re-housing program participants, to the maximum extent practicable, in identifying potential housing opportunities. Participants will select their own housing. Sub-recipients will not restrict housing choices, or deny assistance or services based on the participant's choice to accept or deny a housing opportunity.

Sub-recipients will establish clear and consistent policies and procedures that outline the length of time that rapid rehousing program participants have to secure housing after program intake. Sub-recipients may grant extensions for a specific amount of time, for program participants that are actively addressing barriers to securing housing.

At program intake, sub-recipients will provide rapid re-housing program participants, in writing, of time limits for securing housing. If program participants do not secure housing within the established timeframe, they will be terminated from the program, in accordance with the sub-recipient's termination policy.

CONTINUED ELIGIBILITY

At a minimum, Homeless Prevention sub-recipients must re-evaluate program participant's eligibility and the types and amounts of assistance the program participant receives prior to the end of the second full month of rental assistance, and then not less than once every three months for the remainder of program enrollment. Rapid Re-Housing sub-recipients must re-evaluate program participant's eligibility and the types and amounts of assistance the program participant needs at least once annually. Annual re-evaluation for rapid rehousing will occur prior to the end of the eleventh full month of rental assistance. To continue to receive assistance, a program participant's re-evaluation must demonstrate eligibility based on: Income (at or below 30% AMI), and if participant's household lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to maintain housing.

LACK OF RESOURCES AND SUPPORT NETWORKS

The program participant's household must continue to lack sufficient resources and support networks to retain housing without ESG program assistance.

INCOME LIMITS

In addition, both HP & RRH re-evaluation must demonstrate that the program participant's annual household income is at or below the ESG limits of **below** 30% of the AMI for Homeless Prevention and **at or below** 30% of AMI for Rapid Re-Housing.

If a household is determined to be able to maintain permanent housing without assistance from the RRH program, the program will provide written and verbal notice to both the household and the landlord at a minimum of 30 days prior to program assistance ending.

CASE MANAGEMENT

Homelessness Prevention and Rapid Re-Housing program participants must meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability. Additional case management will be provided on a case-by-case basis based on demonstrated need. (24 CFR 576.401)

Case managers should work with the program participant to develop a plan to assist the program participant in retaining permanent housing after the assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses, other public or private assistance for which the program participant will be eligible and likely to receive, and the relative affordability of available housing in the community. Identification of housing goals outlined in their plan should be led by the participant, with support and information provided by the case manager.

While case managers may encourage trust and build relationships by discussing non-housing related topics with participants, the primary purpose and ultimate goal of all participant interactions should be to ensure that the participant maintains permanent housing once assistance ends. Case managers will connect HP & RRH program participants to other federal, state, local, and private assistance as outlined under Standards Applicable to All Programs. Interactions with participants will be documented in

participant files and include details about progress towards housing goals and connection to other resources.

If program participants do not meet with a case manager not less than once per month, it is the responsibility of the sub-recipient to continue to attempt in engaging with the participant, in an effort to identify the cause and begin meeting with the participant. If efforts to engage the participant are unsuccessful, this must be documented in the participant's file.

Case management assistance may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the program participant is living in permanent housing. Case management assistance will also be documented in NM-HMIS, in accordance with the NM-HMIS Standard Operating Procedures, or in the Osnium database (victim service providers).

HOUSING STABILITY CASE MANAGEMENT

As required by 24 CFR 576.401(a) and (c), the recipient and its subrecipient must determine the available services and assistance that each ESG program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its subrecipient must assist each ESG program participant, as needed, to obtain those services and assistance.

CHILD SCHOOL ENROLLMENT AND CONNECTION TO SERVICES

Sub-recipients will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including Title 1, early childhood programs such as Head Start, and parts B and C of the Individuals with Disabilities Education Act. Sub-recipients that serve households with children will post publicly, and/or provide for households with children at intake, notice of education services available within the community, and document efforts to verify that children are enrolled in school and connected to appropriate services.

Rapid Re-Housing programs will also take the educational needs of children into account when families are placed in housing and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education.

RENTAL ASSISTANCE

Sub-recipients may provide program participants with up to 24 months of tenant-based or project-based rental assistance during any 3-year period. No program participant shall receive more than 24 months of rent during any 3-year period, administered by any CoC or ESG program within the state of New Mexico. Assistance may include any combination of short-term rental assistance (up to 3 months) and medium-term rental assistance (more than 3 months but less than 24 months). Applicants can return for rental assistance if they have received less than 24 months of rent during any 3-year period. In addition,

program participants may receive funds for security deposits in an amount not to exceed two months of rent.

Each sub-recipient must meet the RFP or renewal criteria set by MFA each program year therefore funding is not automatically awarded beyond June 30. This should be taken into consideration when providing assistance that crosses over between program years.

Program participants receiving rental assistance may move to another unit or building and continue to receive rental assistance, as long as they continue to meet the program requirements.

Financial assistance cannot be provided to a program participant who is already receiving the same type of assistance through other public sources however, ESG funds may be used to provide different types of assistance from that being provided to the program participant. Program participants must still meet all of the eligibility requirements for ESG HP & RR.

Note: Rental arrears can be paid on behalf of a household receiving a subsidy from another public source (e.g., Section 8) because it represents a different time period and cost type than the rental subsidy (i.e., the arrears represent a back payment of the household portion, and the current rental assistance is a forward payment).

AMOUNT OF RENTAL ASSISTANCE

It is expected that the level of assistance will be based on the goal of providing only what is necessary for each household to achieve housing stability in the long-term. Sub-recipients may provide up to 100% of the cost of rent to program participants and the maximum share of rent a program participant may pay is 100%.

INCOME VERIFICATION

All program participants will provide proof of income, or to certify that they have no income at program enrollment, when they provide notice that their income has changed, or at re-evaluation of program eligibility. HP & RRH sub-recipients will complete the HUD rent calculation form to determine the maximum portion that the participant may pay toward rent, to meet utility reimbursement requirements, and to support the completion of a needs assessment. Sub-recipients must follow guidelines found under 24 CFR 5.609 when calculating income.

Sub-recipients must require program participants to notify them regarding changes in their income or other circumstances that affect their need for assistance (e.g., changes in household composition, stability, or support).

RECORD KEEPING REQUIREMENTS

The following order of priority will be followed in collecting documentation to verify income:

- Source Documents. Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement).
- 2. Third Party Verification. A written statement by the relevant third party (e.g., employer, government benefits administrator, or the written certification by the sub-recipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available.
- 3. Self-Certification. If source documents and third-party verification are unobtainable, a written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

DUPLICATION OF BENEFITS

A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance. Any person or entity receiving CDBG-CV assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative.

All client files, for Homeless Prevention and Rapid Rehousing, must contain a Duplicate of Benefits disclosure signed by the property owner/agent and the client stating that they are not receiving any other type of rental or utility subsidy. A sample form will be provided by MFA.

Participants may not receive ESG short- or medium-term financial assistance for rent for the same period for which a program participant is receiving rental assistance or living in housing provided with ongoing assistance (such as project-based rental assistance or operating subsidies).

PARTICIPANT CONTRIBUTION TOWARD RENT

Program participants that have income are expected to contribute 30% of their monthly adjusted income (adjustment factors include the number of people in the family, age of family members) toward the rent. However, if the first month's rent is prorated, clients are not required to contribute 30% towards the rent. It is acceptable for service providers to contribute the full amount of the prorated rent. This only applies to Rapid Rehousing clients.

If a household has a monthly income that covers more than the entire rental amount, they should be graduated from the program.

Sub-recipients must establish clear policies and procedures for determining the participant's contribution toward rent. Policies and procedures must be applied consistently to all program participants.

VAWA EMERGENCY TRANSFER PLAN

In accordance with HUD VAWA protections (24 CFR 5.2005), sub-recipients will develop a written VAWA Emergency Transfer Plan, based on HUD's <u>model emergency transfer plan</u> (HUD form 5381), that provides participants who report that they are under actual or imminent threat with the opportunity to secure safe housing. The VAWA Emergency Transfer Plan must include the following:

- 1. Unit Transfer Program participants who have complied with all program requirements during their residence and who have been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believe they are imminently threatened by harm from further domestic violence, dating violence, sexual assault, or stalking (which would include threats from a third party, such as a friend or family member of the perpetrator of the violence), if they remain in the assisted unit, and are able to document the violence and basis for their belief, may retain the rental assistance and will be moved, at their request, to another unit as quickly as possible. See recordkeeping requirements to ensure proper documentation of imminent threat of harm (24 CFR 5.2005).
- 2. Notice of Occupancy Rights Program participants must be provided with a "Notice of Occupancy Rights under the Violence Against Women Act" under the following circumstances:
 - a) at the time the applicant is denied assistance or admission under a covered housing program;
 - b) At the time the individual is provided assistance or admission under the covered housing program;
 - c) With any notification of eviction or notification of termination of assistance.

(The "Notice of Occupancy Rights under the Violence Against Women Act" must be made available in multiple languages).

- 3. Prohibited Basis for Denial or Termination of Assistance or Eviction An applicant for assistance through an ESG housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or participant otherwise qualifies for admission, assistance, participation, or occupancy.
- 4. Program participants may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:

- a) The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and
- b) The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking.

FAIR MARKET RENT

Household rent for participants receiving ESG-funded rental assistance must not exceed the Fair Market Rent established by HUD. Current FMR and guidelines for calculating rent are available online through the following link: <u>https://www.huduser.gov/portal/datasets/fmr.html</u>.

FMR requirements do not apply when a program participant receives only financial assistance or services under HUD's Housing Stabilization and Relocation Services. This includes rental application fees, security deposits, an initial payment of "last month's rent," utility payments/deposits, and/or moving costs, housing search and placement and housing stability case management.

The FMR requirement has been waived by HUD for until 9/30/2022 however all units must meet Rent Reasonableness

RENT REASONABLENESS

For participants receiving assistance rental assistance including rental arrears, household rent must comply with HUD's standard of rent reasonableness, meaning that the rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. These rent restrictions are intended to help ensure that program participants can remain in their housing after their assistance ends. To make the determination, sub-recipients must consider (a) the location, quality, size, and age of the unit and (b) any amenities, housing services, maintenance and utilities provided by the owner. Sub-recipients will evaluate rent reasonableness at program intake and at least once annually. Documentation of rent reasonableness evaluations must be kept in participant files. (24 CFR 576.106(d)). This requirement applies to HP and RR assistance.

As with FMR, rent reasonableness requirements do not apply when a program participant receives only financial assistance or services under HUD's ESG Housing Stabilization and Relocation Services.

MINIMUM HABITABILITY STANDARDS

Housing for all program participants receiving any type of ESG assistance to move into or remain in housing must meet HUD Minimum Habitability Standards for Permanent Housing. Sub-recipients must document compliance with this standard by signing and completing a current Minimum Habitability Standards Checklist before the participant signs the lease and before the sub-recipient provides any ESG rental assistance or services specific to the unit. In addition, sub-recipients must inspect all units at least annually upon recertification to ensure that the units continue to meet the minimum habitability standards. Inspection forms must be kept in the participant file. MFA may also inspect the unit as part of the monitoring process. (24 CFR 576.403(a))

LEAD-BASED PAINT REQUIREMENTS

All HUD-funded housing programs occupied by program participants are required to incorporate leadbased paint remediation and disclosure requirements. Generally, these provisions require the recipient to screen for, disclose the existence of, and take reasonable precautions for the presence of lead-based paint in leased or assisted units constructed prior to 1978. (24 CFR 576.403(a))

ESG-funded programs are required to incorporate the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4846), and 24 CFR part 35, subparts A, B, H, J, K, M, and R in the unit.

LEASE AGREEMENT

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The program participant must be the tenant on a lease and is renewable and terminable only for cause. The lease must be renewable for terms that are a minimum of one month (24 CFR 576.106(g)).

RENTAL ASSISTANCE AGREEMENT

In addition to a lease between the program participant and the owner, the ESG interim rule also requires a Rental Assistance Agreement between the sub-recipient and the property owner. The sub-recipient may make rental assistance payments only to an owner with whom the sub-recipient has entered into a rental assistance agreement. (24 CFR 576.106(e))

The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements of ESG assistance. In addition, the rental assistance agreement must provide the following:

- 1. During the term of the agreement, the owner gives the sub-recipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction against the program participant.
- 2. Agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
 - a) The program participant moves out of the housing unit for which the program participant has a lease; or
 - b) The lease terminates and is not renewed; or
 - c) The program participant becomes ineligible to receive ESG rental assistance.

RENT PAYMENTS

Program participants receiving rental assistance funds pay their portion of rent directly to the landlord. The difference between the total rent and the amount paid by the program participant is then paid by the sub-recipient. Sub-recipients may not use ESG funds to cover the cost of the program participant's rent, if the program participant fails to pay his or her portion of rent.

Sub-recipients must make timely payments to each landlord or property owner in accordance with the rental assistance agreement. All rent payments must go directly to a third-party (directly to landlord). ESG funds may not be used for late penalties incurred by the sub-recipient or the participant once they are in the program.

APPENDIX A: ELIGIBLE ACTIVITIES BY ESG COMPONENT

STREET OUTREACH

ENGAGEMENT

Unsheltered persons are engaged for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. Eligible engagement activities include:

- Making an initial assessment of needs and eligibility using the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT)
- Providing crisis counseling
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries
- Actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid rehousing programs

CASE MANAGEMENT

Case management includes assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities include:

- Utilizing the NMCES
- Conducting the initial VI-SPDAT
- Verifying and documenting program eligibility

- Counseling
- Developing, securing, and coordinating services
- Obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- If service workers use their own vehicles, mileage reimbursement is allowed to visit or assist program participants with eligible program activities.

SERVICES FOR SPECIAL POPULATIONS

Services for special populations include services for homeless youth, victim services, and services for people living with HIV/AIDS, as long as the costs of providing these services are one of the above eligible Street Outreach activities. The term "victim services" refers to services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

ESSENTIAL SERVICES

ESG funds may be used for the costs of providing essential services to homeless families and individuals in emergency shelters and may include:

Case Management

Case management includes assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities include:

- Utilizing the NMCES
- Conducting the initial VI-SPDAT
- Verifying and documenting program eligibility
- Counseling
- Developing, securing, and coordinating services
- Obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers

• Developing an individualized housing and service plan, including planning a path to permanent housing stability

Childcare

Childcare includes the costs of providing meals and snacks and comprehensive and coordinated sets of appropriate developmental activities. Children must be under the age of 13 unless they have a disability. Children with a disability must be under the age of 18. In addition, the childcare center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

Education Services

When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).

Eligible services or activities may include:

- Screening
- Assessment and testing
- Individual or group instruction
- Tutoring
- Provision of books, supplies, and instructional material
- Counseling
- Referral to community resources

Employment Assistance and Job Training

- Classroom, online, and/or computer instruction
- On-the-job instruction
- Services that assist individuals in securing employment including:
 - Employment screening, assessment, or testing
 - Structured job skills and job-seeking skills
 - Special training and tutoring, including literacy training and pre-vocational training
 - Books and instructional material
 - Counseling or job coaching
 - Referral to community resources
 - Acquiring learning skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates
 - Increasing earning potential
 - o Reasonable stipends to program participants in employment assistance and job training

Outpatient Health Services

Outpatient health services include the direct outpatient treatment of medical conditions that are provided by licensed medical professionals. ESG funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment options may include:

- Assessing a program participant's health problems and developing a treatment plan
- Assisting program participants to understand their health needs
- Providing directly or assisting program participants to obtain appropriate medical treatment, preventative care, and health maintenance services, including emergency medical services
- Providing medication and follow-up services
- Providing preventative and non-cosmetic dental care

Legal Services

Legal services include the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. Eligible subject matters include:

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking,
- Appeal of veterans and public benefit claim denials
- Resolution of outstanding criminal warrants

Eligible services or activities may include:

- Client intake
- Preparation of cases for trial
- Provision of legal advice
- Representation at hearings
- Counseling

Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employee salaries and other costs necessary to perform the services. Legal services for

immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

Life Skills Training

Life skills training includes the costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness. These services must be necessary to assist the program participant to function independently in the community. Life skills training options may include:

- Budgeting resources
- Managing money
- Managing a household
- Resolving conflict
- Shopping for food and needed items
- Improving nutrition
- Using public transportation
- Parenting

Mental Health Services

Mental health services include the direct outpatient treatment by licensed professionals of mental health conditions. ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment options include:

- Crisis interventions
- Individual, family, or group therapy sessions
- The prescription of psychotropic medications or explanations about the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

Substance Abuse Treatment Services

Substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. Eligible treatment options include:

- Client intake and assessment
- Outpatient treatment for up to 30 days.

Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

Services for Special Populations

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, as long as the costs of providing these services are one of the eligible Emergency Shelter essential services listed above. The term "victim services" refers to services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

Salaries

Salary for shelter employee whose hours are spent directly associated with the shelter clients, supervision of shelter employees or shelter office employees.

SHELTER OPERATIONS

Eligible expenses under Shelter Operations include:

- The costs of maintenance to the shelter building (including minor or routine repairs)
- Rent
- Security
- Office equipment/supplies
- Insurance
- Utilities
- Food
- Furnishings
- Supplies necessary for the operation of the shelter
- Salary for shelter employee that provides maintenance/security

Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Transportation

Eligible transportation costs include a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities. These costs include the following:

- The cost of a program participant's travel on public transportation, as well as travel to use public transportation
- If shelter employees use their own vehicles for this use, mileage reimbursement is allowed
- The cost of gas, insurance, taxes, and maintenance/repair for the shelter's vehicle used to transport program participants and/or staff serving program participants

HOMELESS PREVENTION AND RAPID-REHOUSING

Homeless Prevention assistance includes housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph 1 of the "homeless definition" in 24 CFR 576. The costs of homeless prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participants current permanent house or move into other permanent housing and achieve stability in that housing

Rapid Re-Housing assistance includes housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing.

HOUSING RELOCATION AND STABILIZATION SERVICES – FINANCIAL ASSISTANCE COSTS

Subject to the general conditions under the Homelessness Prevention Component (24 CFR 576.103) and the Rapid Re-Housing Assistance Component (24 CFR 576.104), ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

- Rental Application Fees: ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- Security Deposits: ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
- Last Month's Rent: If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
- Utility Deposits: ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed below (under utility payments)
- Utility Payments: ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are

gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

 Moving Costs: ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving housing stabilization services and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

HOUSING SEARCH AND PLACEMENT SERVICES

Assist participants in locating, obtaining, and retaining suitable permanent housing, including:

- Housing search
- Tenant counseling
- Understanding leases
- Arranging for utilities
- Making moving arrangements
- Assessment of housing barriers, needs and preferences
- Development of an action plan for locating housing
- Outreach to and negotiation with owners
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness
- Assistance with submitting rental applications

HOUSING STABILITY CASE MANAGEMENT

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing by, for example:

- Conducting the initial VI-SPDAT or F-VI-SPDAT assessment, including verifying and documenting eligibility
- Using the Coordinated Entry System (NMCES)
- Counseling
- Developing, securing, and coordinating services
- Obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Conducting re-evaluations

MEDIATION

Mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

CREDIT REPAIR

Credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems.

SHORT-TERM AND MEDIUM-TERM RENTAL ASSISTANCE

Subject to the general conditions in 24 CFR 576.103 and 24 CFR 576.104, the recipient or sub-recipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. Rental assistance may be tenant-based or project-based.

- Short-Term Rental Assistance: Short-term rental assistance is assistance for up to 3 months of rent.
- Medium-Term Rental Assistance: Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
- Rental Arrears: Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

HMIS/OSNIUM

These activities are designed to fund ESG sub-recipient participation in the HMIS collection and analyses of data on individuals and families who are homeless or at risk of homelessness. This includes data collected by victim service providers through Osnium. Eligible costs include:

- Purchasing or leasing hardware
- Purchasing software or software licenses
- Obtaining technical support
- Leasing office space
- Paying costs for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying salaries for staff operating HMIS and/or completing data entry
 - a) Monitoring and reviewing data quality
 - b) Completing data analysis

- c) Reporting to the HMIS Lead training staff on using the HMIS or comparable database; and
- d) Implementing and complying with all applicable HMIS requirements
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training
- Salary for employee(s) whose hours can be tracked for entering data into the HMIS/Osnium database

APPENDIX B: HUD DEFINITION OF HOMELESSNESS 24 CFR 576.2

Category 1: Literally Homeless

Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation; or
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
- Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2: Imminent Risk of Homelessness

Individual or family who will imminently lose their primary nighttime residence, provided that:

- Residence will be lost within 14 days of the date of application for homeless assistance; OR
- No subsequent residence has been identified; OR
- The individual or family lacks the resources or support networks needed to obtain other permanent housing

Category 3: Homeless Under Other Federal Statutes

Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- Are defined as homeless under the other listed federal statutes;
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
- Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
- Can be expected to continue in such status for an extended period of time due to special needs or barriers

Category 4: Fleeing/Attempting to Flee DV

Any individual or family who:

- Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Has no other residence; and
- Lacks the resources or support networks to obtain other permanent housing

APPENDIX C: HUD DEFINITION OF "AT RISK OF HOMELESSNESS"

Category 1: Individuals and Families

An individual or family who:

- Has an annual income below 30% of the median family income for the area; AND
- Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; and

Meets one or more of the following risk factors:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance; or
- Is living in the home of another because of economic hardship; or
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or
- Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or
- Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; or
- Is exiting a publicly funded institution or system of care

Category 2: Unaccompanied Children and Youth

A child or youth who does not qualify as homeless under the homeless definition but qualifies as homeless under another federal statute.

Category 3: Families with Children and Youth

An unaccompanied youth who does not qualify as homeless under the homeless definition but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

The standards set in this document comply with ESG regulations.
APPENDIX D: ORDER OF PRIORITY FOR OBTAINING EVIDENCE OF HOMELESSNESS

The recordkeeping requirements found in 24 CFR 576.500(a)(b) require sub-recipients to maintain and follow written intake procedures to determine whether potential program participants meet the homeless definition found in 24 CFR 576.2. These procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

The procedures that must be followed to establish the order of priority for obtaining evidence of homelessness are as follows:

- 1. Third-party documentation, including written and source documentation, and HMIS records;
- 2. Intake worker observations;
- 3. Certification from individual seeking assistance (Note: No more than 10% of intakes should rely solely on Self-certification).

For emergency shelters, sub-recipients are required to document eligibility at program entry. HUD recognizes that third-party documentation at the emergency shelter level is not feasible in most cases. For shelters where program participants may stay only one night and must leave in the morning, documentation must be obtained each night. If program participants may stay more than one night, then documentation must be obtained on the first night the household stays in the shelter. Emergency shelters can document homeless status through self-certification by the individual or head of household as the primary method of establishing homeless eligibility. In these instances, one method of meeting this standard would be to require households to complete a sign-in sheet, with a statement at the top informing the individual or head of household that by signing, they certify that they are homeless.

PART H



DRAFT

2024 Annual Action Plan

New Mexico Mortgage Finance Authority

and

New Mexico Department of Finance and Administration





NEW MEXICO DEPARTMENT OF FINANCE & ADMINISTRATION



Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format such as large print, Braille or audiotape, please contact Sherry Stephens at New Mexico Mortgage Finance Authority at:

Phone: 505-767-2250

Instate Toll Free: 1-800-444-6880

Fax: 505-243-3289

Dial 7-1-1 to use Hamilton Relay in New Mexico or call one of the toll-free numbers below:

TTY: 800-659-8331

Voice: 800-659-1779

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Spanish: 800-327-1857

(Includes Spanish-to-Spanish and translation from English to Spanish)

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

In 1994, the U.S. 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 Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process was intended to comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities. It was termed the Consolidated Plan for Housing and Community Development.

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers communities the opportunity to shape these housing and community development programs into effective and coordinated neighborhood and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort. The term "entitlement area" refers to cities and counties that, because of 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 HUD programs directly. Entitlement areas receiving funding not covered by the New Mexico Consolidated Plan are City of Albuquerque, City of Las Cruces, City of Santa Fe, City of Farmington and 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.

As the lead agency for the Consolidated Plan, The New Mexico Mortgage Finance Authority (MFA) hereby follows HUD's guidelines for citizen and community engagement. Furthermore, it is responsible for overseeing these citizen participation requirements, including those that accompany the Consolidated Plan and CDBG, HOME, HOPWA, ESG and Housing Trust Fund (HTF) programs, as well as those that complement MFA planning processes already at work in the State. MFA administers HOME, ESG, HOPWA and HTF programs. The New Mexico Department of Finance and Administration (DFA), Local Government Division, administers CDBG program and is responsible for ensuring communities meet all CDBG citizen participation requirements.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

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.

Strategies the State will pursue over the next five years are as follows:

- 1. Expand the supply of quality affordable housing, including financing multifamily rental new construction;
- 2. Increase opportunities for homeownership, including financing new construction of single-family homes and providing financial assistance to prospective buyers of those homes;
- Preserve the State's existing affordable housing stock, including providing resources for owneroccupied homeowner housing rehabilitation and financing multifamily rental acquisition and rehabilitation;
- Provide housing for special needs populations, including encouraging the development of special needs housing with services, expanding housing opportunities and access for special needs populations and funding non-profit entities providing housing and related services for persons living with HIV/AIDS;
- 5. Address immediate needs of persons experiencing homelessness through housing assistance and assistance to shelters and reduce the incidence of homelessness by increasing the level and range of services provided to persons experiencing homelessness and persons at risk of homelessness and increasing the number of available living environments, especially permanent housing situations, for persons who have been homeless or are at risk of homelessness;
- Enhance the quality of life for New Mexicans by providing funding for public infrastructure improvements such as projects relating to water, wastewater, sewer systems, roadways, storm drainage, public facilities and housing in non-entitlement communities, with a set-aside for Colonias;
- 7. Provide assistance to non-entitlement communities to plan and prepare for infrastructure projects by funding planning grants that include comprehensive asset management and related plans; and

Enhance economic development activities in non-entitlement communities to create new, permanent jobs for New Mexicans.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

MFA's and DFA's evaluations of past performance on CDBG, HOME, ESG, HOPWA and HTF have been completed in annual Consolidated Annual Performance and Evaluation Reports (CAPERs); the most recent of which was accepted and approved by HUD in December 2023. Each CAPER states the objectives and outcomes identified in each Annual Action Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance.

MFA analyzes housing, low-income areas, and community needs of NM citizens to determine project funding estimates for the upcoming years to include past performance and impediments. The CAPER reports MFA's and DFA's progress on meeting the outcomes and measures. The past CAPER shows targets on track to meet priority needs for the selected areas and projects based on need and study analytics.

The 2022 CAPER along with previous reports can be found on MFA's website at: <u>https://housingnm.org/resources/plans-and-reports/caper</u>. MFA and DFA are on target to meet or exceed set goals. The 2023 CAPER will be compiled in July 2024 and submitted in September 2024 and any evaluation findings will be added as considerations to goals and projects for 2025 Annual Action Plan.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Citizen participation and consultation for this plan began with a review of New Mexico's past Citizen Participation Plan which sought to broaden participation. The State identified methods of additional participation and clarified existing consultation processes. Those methods and activities were a key part of the Consolidated Plan's preparation. The current citizen participation plan is attached in the grantee unique appendices. The public notice was published in seven newspapers throughout the State to reach metro and rural areas. In addition, the notice and report were posted on MFA and DFA's websites and available in a variety of formats.

A thirty-day public comment period was held from March 18, 2024 to April 18, 2024 during which citizens were invited to comment on a draft of annual action plan.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) held a public comment period on the DRAFT 2024 Annual Action Plan. A thirty-day public comment period began on March 18, 2024 and ended on April 18, 2024 with a hybrid (virtual/in-person) public hearing held on April 15, 2024. The 2024 Annual Action Plan is the fifth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

6. Summary of comments or views not accepted and the reasons for not accepting them

7. Summary

The Annual Action Plan provides residents of New Mexico with a comprehensive review of housing and community development needs within New Mexico, an opportunity to provide perspectives on those needs and an understanding of the State's five-year plan for addressing those needs. Through a citizen participation process that included stakeholders and multiple community outreach efforts, MFA used community feedback to shape strategies that focus on affordable and special needs housing, assistance for those experiencing homelessness and infrastructure improvements. Any comments received through this process are summarized in the Citizen Participation Section.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	NEW MEXICO	MFA Compliance and Initiatives Department
CDBG Administrator	NEW MEXICO	DFA Community Development Bureau
HOPWA Administrator	NEW MEXICO	MFA Community Development Department
HOME Administrator	NEW MEXICO	MFA Housing Development Dept./MFA Community Development
ESG Administrator	NEW MEXICO	MFA Community Development Department
HTF Administrator	NEW MEXICO	MFA Housing Development Department

Table 1 – Responsible Agencies

Narrative

New Mexico will meet its responsibility to provide decent and affordable housing and aid in the development of viable communities with suitable living environments and expanded economic and community development opportunities. This will be done with the help and support of a network of public institutions, nonprofit organizations and private industries. For example, MFA partners with DFA, and DFA provides CDBG funding on projects involving housing. The State is fortunate to have a strong relationship with valuable service agencies.

MFA also works to instill capacity for strong housing and community development across the State through funding initiatives, outreach, training and other capacity building endeavors.

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

As part of the process MFA and DFA must consult with a wide variety of organizations in order to gain understanding of the housing and community development process. This Consolidated Plan and planning process represents a collective effort from a broad array of entities in New Mexico, ranging from governmental officials, advocacy groups, social service providers and economic development organizations. Private, non-profit and public organization representatives, including agencies that provide assistance and public housing; agencies with expertise regarding lead-based paint hazards; local governments; Continuum of Care organizations; public and private agencies addressing low-income, homeless or special needs populations; publicly funded institutions that may discharge persons into homelessness; business and civic leaders were contacted through several means, such as e-mail correspondence, online surveys and face-to-face interactions. These stakeholders were solicited to discuss housing and community development needs in New Mexico, including the ranking of needs and activities that MFA and DFA might consider to better address needs throughout the State. Further, individuals were asked to provide additional insight into prospective barriers and constraints in addressing housing and community development needs in New Mexico.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

As part of the planning process, MFA and DFA consulted with social service organizations that provide assistance to individuals facing health and mental health challenges, including the New Mexico Coalition to End Homelessness. Three focus groups were held where affordable housing topics were highlighted, and feedback gathered from affordable housing industry participants. These discussions included considerations for coordinating both health and housing needs for vulnerable populations. Additionally, New Mexico Department of Corrections Probation and Parole held a remote session that invited participation from individuals in State custody to identify housing needs upon release. Finally, through surveys and stakeholder interviews, a wide range of housing and health providers were consulted.

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

MFA and DFA staff serve on the Colonias Infrastructure Board, which was created by the Colonias Infrastructure Act. The Act's purpose is to ensure adequate financial resources for infrastructure development for Colonias recognized communities, provide for the planning and development of infrastructure in an efficient and cost-effective manner and develop infrastructure projects to improve quality of life and encourage economic development. As part of this effort, the Colonias Infrastructure Board may make loans and grants from the Colonias Infrastructure Project Fund to qualified entities for projects prioritized by the Board.

As part of the planning process, input from agencies serving Colonias was included through the online surveys, community focus groups and the invitation to comment on the Consolidated Plan throughout the participation process. New Mexico's planning team included representation from the Eastern Plains Council of Governments, the Southwest New Mexico Council of Governments, Eastern Regional Housing Authority and El Camino Real Housing Authority, all of which serve Colonias. Additionally, Las Cruces focus group included the City of Las Cruces and Mesilla Valley Housing Authority, which serve Colonias.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

New Mexico is served by two Continuums of Care (CoCs): Albuquerque CoC, which serves the City of Albuquerque, and the Balance of State CoC, which serves the rest of the State. The New Mexico Coalition to End Homelessness (NMCEH) coordinates both CoCs. MFA is a member of each CoCs governing board and works with the CoCs in planning, policies and procedures related to CoC activities.

MFA also works closely with NMCEH in the coordination of other efforts to address the needs of individuals and families who are experiencing homelessness or are at risk of homelessness. In addition to administering both CoCs in New Mexico, NMCEH offers training and technical assistance to nonprofit agencies and other groups in New Mexico, partners with other organizations to create supportive housing, manages New Mexico Homeless Management Information System (HMIS), the statewide coordinated entry system and is engaged in campaigns at the state and local levels to end homelessness. MFA provides support for activities undertaken by NMCEH through financial commitments, such as resources from general fund and in-kind contributions, such as meeting facilities and technical assistance to its members. Further, as part of the consolidated planning process, MFA worked with New Mexico Department of Corrections Probation and Parole to gather input from individuals in State custody regarding housing needs upon release.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

MFA is a member of the governing boards of both CoCs in New Mexico and receives input from CoC staff and member agencies regarding allocation priorities, performance standards and outcome measures for ESG funds. MFA is a member of the HMIS Governing Committee, which includes representation from NMCEH and several HMIS user agencies. This committee meets quarterly to address all issues related to HMIS administration in the State and works with the CoCs to: (1) review, revise and approve a privacy plan, security plan and data quality plan for HMIS; (2) ensure consistent participation of recipients and sub-recipients in HMIS; and (3) ensure HMIS is administered in compliance with HUD requirements.

2. Agencies, groups, organizations and others who participated in the process and consultations.

1	Agency/Group/Organization	NEW MEXICO COALITION TO END HOMELESSNESS
	Agency/Group/Organization Type	Services-homeless Civic Leaders
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis HMIS Coordinator
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interviews conducted which helped shape priority needs and strategies. Agency/Group/Organization received notice of the draft plan, comment period and public hearings to provide comments
2	Agency/Group/Organization	ALBUQUERQUE
	Agency/Group/Organization Type	Service-Fair Housing Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

Table 2 – Agencies, groups, organizations who participated

3	Agency/Group/Organization	RIO RANCHO
	Agency/Group/Organization Type	Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Non-Homeless Special Needs Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
4	Agency/Group/Organization	SANDOVAL COUNTY
	Agency/Group/Organization Type	Other government - County Other government - Local Business and Civic Leaders Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participate in focus groups. Survey and interview conducted which helped to shape priority needs and strategies.

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8	Agency/Group/Organization	Southwest New Mexico Council of Governments
	Agency/Group/Organization Type	Other government - Local
		Regional organization
		Business and Civic Leaders
		Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
		Homelessness Strategy
		Economic Development
		Colonias Set-aside Strategy
		Non-housing community development
	Briefly describe how the Agency/Group/Organization was	Survey and interview conducted which helped to shape priority needs
	consulted. What are the anticipated outcomes of the	and strategies.
	consultation or areas for improved coordination?	
9	Agency/Group/Organization	EASTERN PLAINS COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Other government - Local
		Regional organization
		Business Leaders
		Business and Civic Leaders
		Persons, low income living where CDBG funds are proposed
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was	Survey and interview conducted which helped to shape priority needs
	consulted. What are the anticipated outcomes of the	and strategies.
	consultation or areas for improved coordination?	

10	Agency/Group/Organization	SANTA FE
	Agency/Group/Organization Type	Other government - Local Business and Civic Leaders Persons, low income living in areas where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
11	Agency/Group/Organization	WHITE SANDS HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
12	Agency/Group/Organization	New Mexico Department of Finance and Administration
	Agency/Group/Organization Type	Other government - State Planning organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Colonias Set-aside Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
13	Agency/Group/Organization	LOS ALAMOS HOUSING PARTNERSHIP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
14	Agency/Group/Organization	UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
15	Agency/Group/Organization	INDEPENDENT LIVING RESOURCE CENTER
	Agency/Group/Organization Type	Social Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team; requested to distribute surveys, which helped to shape priority needs and strategy

16	Agency/Group/Organization	NEW MEXICO COUNCIL AGAINST DOMESTIC VIOLENCE
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services - Victims Statewide organization
-	What section of the Plan was addressed by Consultation?	Housing and supportive services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
17	Agency/Group/Organization	Catholic Charities
	Agency/Group/Organization Type	Child Welfare Agency Statewide Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
18	Agency/Group/Organization	MESILLA VALLEY COMMUNITY OF HOPE
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Supportive Service
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
19	Agency/Group/Organization	APARTMENT ASSOCIATION OF NEW MEXICO
	Agency/Group/Organization Type	Statewide Organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
20	Agency/Group/Organization	EASTERN REGIONAL HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Regional organization Persons, low income living in CDBG purposed area
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Housing, Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
21	Agency/Group/Organization	EL CAMINO REAL HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Persons, low income living in CDBG purposed areas
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Housing and Social Services

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
22	Agency/Group/Organization	PUEBLO OF ACOMA HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Persons, low income living in CDGB purposed areas
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
23	Agency/Group/Organization	NATIVE PARTNERSHIP FOR HOUSING
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
24	Agency/Group/Organization	NEW MEXICO CORRECTIONS DEPARTMENT - PROBATION & PAROLE
	Agency/Group/Organization Type	Services-Education Other government - State

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted targeted focus groups which helped to shape priority needs and strategies.
25	Agency/Group/Organization	NEW MEXICO ENVIRONMENT DEPARTMENT - WATER PROTECTION DIVISION
	Agency/Group/Organization Type	Agency - Management of Public Land or Water Resources Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.
26	Agency/Group/Organization	NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Emergency Management Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.

27	Agency/Group/Organization	NM Children Youth and Families Department				
	Agency/Group/Organization Type	Services - Housing Services-Children Child Welfare Agency Other government - State				
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working and discussions to confirm priority needs and strategies.				
28	Agency/Group/Organization	TIERRA DEL SOL HOUSING CORPORATION				
	Agency/Group/Organization Type	Housing				
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Colonias Set-aside Strategy				
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.				
29	Agency/Group/Organization	New Mexico Department of Health				
	Agency/Group/Organization Type	Services-Health Health Agency Child Welfare Agency				
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy				

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working discissions and interview which helped confirm priority needs and strategies.
30	Agency/Group/Organization	ConnectNM
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.

Identify any Agency Types not consulted and provide rationale for not consulting

The State made every attempt to be inclusive in its consultation process and consult all agency types during preparation of the Consolidated Plan and supporting documents.

• Employment – Reached out to the New Mexico Association of Commerce and Industry twice for input and did not hear back.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		This plan incorporates COC's goals and strategies to reduce homelessness.

Table 3 – Other local / regional / federal planning efforts

Narrative

MFA provided information throughout the year to a number of external advisory and oversight committees comprising of representatives from various housing related industries and geographic areas of the state to advise and comment on activities undertaken with federal dollars. These committees include Mortgage Finance Authority Act Legislative Oversight Committee, New Mexico Housing Trust Fund Advisory Committee and Allocation Review Committee. MFA will continue to work with and consult with these committees regarding activities in the Action Plan. MFA also meets annually with focus groups organized according to Action Plan activities such as housing development, rehabilitation and homelessness prevention. MFA initiated a Housing New Mexico Advisory Committee fostering collaboration for a data driven approach.

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 capacity, MFA and DFA will continue outreach to a variety of agencies and entities involved with housing and community development activities in New Mexico.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal setting.

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) held a public comment period on the DRAFT 2024 Annual Action Plan. A thirty day public comment period began on March 18, 2024, and ended on April 18, 2024 with a hybrid (virtual/in-person) public hearing held on April 15, 2024. The 2024 Annual Action Plan is the fifth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

Citizen Participation Outreach

Sort Or der	Mode of Ou treach	Target of Ou treach	Summary of response/atte ndance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-			and reasons	
		targeted/bro ad community Residents of Public and Assisted Housing				

Sort Or der	Mode of Ou treach	Target of Ou treach	Summary of response/atte ndance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
2	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Non- targeted/bro ad community				
3	Website MFA and DFA	Non-English Speaking - Specify other language: Spanish Non- targeted/bro ad community Interested parties				

Table 4 – Citizen Participation Outreach

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with Aids (HOPWA) and Housing Trust Fund (HTF) programs. HOME and CDBG programs will produce program income that will also be available for program specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Section 811 Housing, Section 202 Housing, Rural Innovation Fund and Housing Counseling. Many partners leverage resources with other funding sources they directly receive such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self-Determination Act (NAHASDA) grants.

The State's additional federal resources include HUD's Recovery Housing Program, HUD's Veterans Housing Rehabilitation Program, the Capital Magnet Fund, United States Department of Agriculture (USDA) programs, Federal Housing Administration (FHA) loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, the HUD 542(c) Risk Sharing Program, American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (FRF), and HUD Section 811 Project Rental Assistance.

Other nonfederal resources expected to be available through MFA include resources from State legislative allocations, New Mexico Housing Trust Fund, MFA's Primero Fund and New Mexico Affordable Housing Tax Credit. Many partners also leverage other state resources, such as funding from New Mexico Human Services Department and New Mexico Children, Youth & Families Department. Further, local governments may provide resources, and private support may be available from organizations such as United Way and Ventana Fund (CDFI), or from developer contributions (land, deferred developer fee, loans) and private donations.

The focus of the ESG program is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The allowable activities for this funding are maintained and updated in the Homeless Management Information System (HMIS), Shelter Operations, Essential Services, Homeless Prevention and Rapid Re-Housing. The program is intended to be used for the most vulnerable populations who meet the eligibility criteria as outlined in ESG regulations under 24 CFR Part 576.

HOPWA funds are used to provide housing assistance for low-income individuals living with HIV/AIDS and their families. Services can be in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and

PHP is used to pay for security deposits, utility connection fees and first month's rent. HOPWA formula funds can cover the cost of renting a hotel/motel unit to ensure the health and safety of the person living with HIV/AIDS (PLWHA) and/or the family/household members. HOPWA formula funds can also cover costs for case management, nutrition, food, transportation and any of the regular HOPWA eligible services while the participant is staying in the hotel/motel. However, these funds cannot cover damages to the room caused by the participant.

HOME and HTF funds are awarded to affordable housing activities on an annual basis, after MFA learns the amount of funding allocations from HUD for the upcoming year. The award process is competitive and site specific development names and addresses are not known prior to the notice of funding availability. New Mexico is a high minority State and does comply with Home Site and Neighborhood Standards with awarded projects.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

PROGRAM	PC	TENTIAL ADDITIONAL SC	OURCES OF FUNDS	
	Other Federal or Federally Subsidized	State	Local	Private
CDBG	US Department of Agriculture (USDA)			Community Assistance Corporation and private funding (economic development)
ESG – RR/HP		State legislative allocation, New Mexico Human Services Department funding	Local government contributions	
ESG - EHAP	Victims of Crime Act (VOCA) Federal Emergency Management Agency (FEMA)	State legislative allocation, New Mexico Children, Youth & Families Department funding	Local government contributions	United Way, private donations
HOPWA	None	None	None	None
HOME - Owner- Occupied Rehab	Community Development Block Grant (Regular CDBG) HUD Veterans Housing Rehabilitation Program	NMHTF for Emergency Repair Program (ERP)	Local government contributions	
HOME - Single Family Homeownership Development	Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program,	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, private donations

HOME - Rental	Federal Housing Administration (FHA) Ioan programs Low Income Housing Tax Credit (LIHTC) tax- exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, Federal Home Loan Bank (FHLB) Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (Community Development Financial Institution- CDFI), developer contributions (land, deferred developer fee, loans), private donations
HTF	LIHTC, tax-exempt bonds, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance, FHLB Affordable Housing Program	New Mexico Housing Trust Fund, MFA Primero Fund, New Mexico Affordable Housing Tax Credit	Local government contributions	Private lenders, Ventana Fund (CDFI), developer contributions (land, deferred developer fee, loans), private donations

Anticipated Resources

The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.

Program	Source		Ex	pected Amour	nt Available Ye	ar 4	Expected Amount Available Remainder of ConPlan \$	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,231,021	0	0	11,363,296	11,740,697	The State will set aside 10 percent of its regular CDBG allocation for Colonias. Regular CDBG funds are not used on tribal reservations.

Program	Source	Uses of Funds	Ex	pected Amour	nt Available Ye	ar 4	Expected Amount Available Remainder of ConPlan \$	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Admin and Planning Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,967,476	3,901,520	6,162,664	16,031,660	3,757,257	Funds may be used statewide.
HOPWA	public - federal	Permanent housing placement Short-Term Rent, Mortgage, and Utility (STRMU) assistance Tenant-Based Rental Assistance (TBRA), Supportive Services	1,423,600	0	0	1,423,600	1,238,606	MFA administers the City of Albuquerque HOPWA allocation under a memorandum of understanding as well, and those funds are used specifically in the City of Albuquerque.
Program	Source	Uses of Funds	Ex	pected Amour	nt Available Ye	Expected	Narrative Description	
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	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,208,579	0	0	1,208,579	1,164,006	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,066,413.39	3,000	3,191,955	6,261,368.39	2,226,293	Funds may be used statewide.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied

Federal funds in the programs shown above are leveraged in many ways. Regular CDBG funds are leveraged with appropriations from the state legislature and local governments. This leverage equates to a dollar to dollar match after the first \$100,000. HOME and HTF funds are leveraged with HUD's Veterans Housing Rehabilitation Program, Self-Help Homeownership Opportunity Program (SHOP), USDA Section 502 Program, FHA loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, HUD 542(c) Risk Sharing Program, USDA programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, FHLB Affordable Housing Program, the state's General Fund, New Mexico Housing Trust Fund, New Mexico Affordable Housing Tax Credit, Primero Fund, Ventana Fund, and a variety of private and local funding sources.

ESG is leveraged with appropriations from the state legislature, and is used in conjunction with VOCA, FEMA, New Mexico Children, Youth & Families Department funding, New Mexico Human Services Department funding, local government contributions, United Way funding and private donations. After the first \$100,000, all regular ESG expenses must be matched dollar for dollar. Cash, non-cash, and program income must meet requirements of § 576.201. Matching funds must be contributed to the ESG program and expended for the subrecipient's allowable ESG costs. Emergency Homeless Assistance program (EHAP) subrecipients shall be required to provide matching funds in an amount at least equal to their approved ESG funding amounts for eligible program activities. Eligible match sources include: cash; the value or fair rental value of any donated material or building; the value of any lease on a building; any salary paid to staff to carry out the program of the recipient and the value of the time and services contributed by volunteers to carry out the program of the subrecipient at a current rate of \$5 per hour. Volunteers providing professional services such as medical or legal services are valued at the reasonable or customary rate in the community. Match requirements for the Rental Assistance program (RR/HP) are met by MFA's legislative appropriations for state homeless programs.

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. Eligible forms of HOME match are documented by MFA and reported to HUD as part of the Consolidated Annual Performance and Evaluation Report (CAPER) each year. MFA requested the use of the HOME program statutory suspensions and/or regulatory waivers available under Section 290 of the Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA), as amended, and those authorized under 24 CFR 5.110.

There is no match requirement for HTF.

If appropriate, describe publicly owned land or property located within the jurisdiction that

may be used to address the needs identified in the plan

This section is not applicable.

Discussion

The State receives CDBG, HOME, ESG, HOPWA and HTF funds. With the exception of a 10 percent setaside of regular CDBG funds for Colonias and the specific use of HOPWA funds administered on behalf of the City of Albuquerque, all funds are eligible for use statewide. The State makes special efforts to leverage all funds through other federal, state, local and private sources to further address needs identified in this Action Plan.

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.

Sort	Goal Name	Start	End	Category	Geographic	Needs Addressed	Funding	Goal Outcome Indicator
Order		Year	Year		Area			
1	1A. Expand &	2020	2024	Non-Housing	Statewide	Expand &	CDBG:	Public Facility or
	Improve Public			Community		Improve Public	\$9,863,296	Infrastructure Activities
	Infrastructure and			Development		Infrastructure &		other than Low/Moderate
	Public Facilities					Facilities		Income Housing Benefit:
								30,353 Persons Assisted
2	2A. Rehabilitate	2020	2024	Affordable	Statewide	Preserve &	HOME:	Homeowner Housing
	Owner Occupied			Housing		Maintain	\$5,381,571	Rehabilitated:
	Housing					Affordable		51 Household Housing
						Housing		Units
3	2B. Increase	2020	2024	Affordable	Statewide	Preserve &	HOME:	Homeowner Housing
	Homeownership			Housing		Develop	\$1,065,657	Added:
	Opportunities					Affordable		7 Household Housing
						Housing		Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop	2020	2024	Affordable	Statewide	Preserve &	HOME:	Rental units constructed:
	Affordable Rental			Housing		Develop	\$9,584,432	16 Household Housing
	Housing					Affordable		Units
						Housing		Rental units rehabilitated: 16 Household Housing Units
5	2D. Develop Housing	2020	2024	Affordable	Statewide	Preserve &	Housing Trust	Rental units constructed:
	for Vulnerable			Housing		Develop	Fund:	10 Household Housing
	Populations					Affordable	\$6,261,368.39	Units
						Housing		
								Rental units rehabilitated:
								10 Household Housing
								Units
6	3A. Provide	2020	2024	Non-Housing	Statewide	Economic	CDBG:	Jobs created/retained:
	Assistance for Job			Community		Development	\$1,500,000	14 Jobs
	Creation			Development		Opportunities		Businesses assisted:
								3 Businesses Assisted

Sort	Goal Name	Start	End	Category	Geographic	Needs Addressed	Funding	Goal Outcome Indicator
Order		Year	Year		Area			
7	4A. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$432,183	Tenant-based rental
	Assistance to					Assistance for		assistance / Rapid
	Reduce					Vulnerable		Rehousing:
	Homelessness					Populations		
								294 Households Assisted
								Homelessness Prevention:
								194 Persons Assisted
8	4B. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$776,396	Homeless Person
	Assistance for					Assistance for		Overnight Shelter:
	Shelters					Vulnerable		2,848 Persons Assisted
						Populations		
9	4C. Provide	2020	2024	Non-Homeless	Statewide	Housing	HOPWA:	Tenant-based rental
	Assistance to			Special Needs		Assistance for	\$1,423,600	assistance / Rapid
	Persons w/					Vulnerable		Rehousing:
	HIV/AIDS					Populations		117 Households Assisted
								Homelessness Prevention:
								206 Households Assisted

Table 2 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

The following section describes the allocation priorities by goals in this plan.

Funding Allocation Priorities

	1A. Expand & Improve Public Infrastructure & Public Facilities (%)	2A. Rehabilitate Owner- Occupied Housing (%)	2B. Increase Homeownership Opportunities (%)	2C. Develop Affordable Rental Housing (%)	2D. Develop Housing for Vulnerable Populations (%)	3A. Provide Assistance for Job Creation (%)	4A. Provide Assistance to Reduce Homelessness (%)	4B. Provide Assistance for Shelters (%)	4C. Provide Assistance to Persons w/ HIV/AIDS (%)	Colonias Set- Aside (%)	Total (%)
Regular CDBG	78	0	0	0	0	12	0	0	0	10	100
HOME	0	34	6	60	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	0	100	0	100
ESG	0	0	0	0	0	0	36	64	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	100

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

Through experience, data analysis and consultation, the allocation priorities for CDBG and HOME have been identified as noted above. These priorities reflect the estimated amount of funds necessary to meet the goals set forth in this Plan and address the priority needs identified by the State. HUD funds are being targeted to priority housing and community development needs, including owner-occupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

For the regular State CDBG program, the allocation percentages are based on totals given the demanddriven nature of the program and HUD regulation. CDBG funds are allocated through annual competition. This competitive process prioritizes funding in part to applicants that describe and document significant need. This need-based review prevents DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity.

HOME funds are awarded to activities as indicated above on an annual basis, after MFA learns the amount of funding allocations from HUD for the upcoming year. Applications for HOME funds for multifamily developments can be made through the competitive LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come, first-served basis for as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA after receiving the allocation.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rapid Rehousing and Homeless Prevention Program (RR/HP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters receiving EHAP funds through regular ESG are selected through a competitive process that includes a number of criteria, such as the shelter's capacity and previous performance. These criteria ensure that the highest number of individuals will be served by shelters that are most qualified to serve them. RR/HP funds are awarded to agencies providing rapid rehousing and homeless prevention services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

HOPWA funds are used for housing assistance for persons with HIV/AIDS and are allocated to agencies selected through a competitive process that includes criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of

persons at or below the federal poverty level who are diagnosed with HIV/AIDS in the counties served by each agency. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds will address the priority needs of the plan by meeting objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through established methods of distribution.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

New Mexico has designed its Method of Distribution (MOD) according to the State's vision of how CDBG funds and other formula grants should be distributed within the State, consistent with State program requirements and HUD Notice CPD-06-11. The MOD only summarizes selection criteria in this section of the Consolidated Plan because details are promulgated in official state publications that are widely disseminated to eligible applicants. This includes criteria used to select applications for funding including relative importance of the criteria. The MOD also includes, where appropriate, a description of how all resources will be allocated among funding categories and the threshold factors and grant size limits that are to be applied, including funding thresholds, number of applications allowed per grantee, as well as any grant limits that the State has imposed.

Distribution Methods

1	State Program Name:	Community Development Block Grant (CDBG) Program
	Funding Sources:	CDBG and CDBG-CV
	Describe the state program addressed by the Method of Distribution.	DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials and other eligible applicants with the implementation of needed infrastructure, public buildings, housing rehabilitation, economic development, planning and other critical projects. Ten percent of each regular CDBG allocation is set aside for activities in the Colonias. The CARES Act adds additional flexibility for CDBG-CV grants in these unprecedented times. The objective, as such, shall help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income. The allowances for use in entitlement areas, and tribal reservations are only for CDBG-CV funds.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	DFA determines areas of CDBG funding based on need, readiness to proceed, uniform grant guidance and other current ranking criteria identified in the CDBG Rules and Regulations (NMAC 2.110.2). DFA has created a vetting process to ensure that set-aside funds for economic development and housing are efficiently utilized. Subrecipients are given an application after all parties involved agree that the project is eligible and has a low degree of risk. This process is designed to save time and eliminate unnecessary work. All CDBG-CV funds will be used as part of a needs-based response to COVID-19.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	DFA maintains CDBG applications, manuals and other necessary information on the website at <u>https://www.nmdfa.state.nm.us/local-</u> <u>government/community-development-bureau/cdbg-</u> <u>information/</u>
Describe how resources will be allocated among funding categories.	Under CDBG program, eligible applicants can apply for one of the following categories, contingent on funding availability: community infrastructure, housing, public facility capital outlay, economic development, public services or planning. Any of the funding categories above may be used in the Colonias.

	Describe threshold factors and grant size limits.	 Regular CDBG Funds (Non-CARES Act CDBG Funding) Eligible applicants can have one open project at any time for up to \$750,000 in regular CDBG infrastructure funds. Eligible applicants can apply throughout the year for up to \$500,000 in housing funds, as long as funds are available. Eligible applicants can have one open project at any time for up to \$750,000 for regular CDBG public facilities. Eligible applicants can have one open project at any time for up to \$500,000 for regular CDBG economic development funds, as long as funds are available. Eligible applicants may apply for up to \$50,000 for regular CDBG planning funds throughout the year, as long as funds are available. Eligible applicants do not have a grant size limit for regular CDBG public services funding. CDBG-CV Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons. Number of persons assisted with public infrastructure and facilities funds Number of owner-occupied homes rehabilitated with housing funds Number of public services assisted with economic development funds Number of persons assisted with economic development funds Number of persons assisted with economic development funds Number of persons assisted with homelessness prevention funds
2	State Program Name:	HOME Rental Development
	Funding Sources:	НОМЕ
	Describe the state program addressed by the Method of Distribution.	The HOME Rental Development program provides below- market-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60 percent of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30 percent AMI.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.
Describe how resources will be allocated among funding categories.	Projects intending to use HOME funds in conjunction with 9 percent LIHTCs must meet all the conditions and requirements set forth in the applicable QAP. Projects receiving LIHTC awards will be awarded HOME funds simultaneously. Award amounts and payment structures will be determined by the debt capacity of the individual project and must meet the standards adopted for the LIHTC and HOME programs.
	Applications for HOME funds for all projects outside of the 9 percent LIHTC round will be accepted and reviewed on a first-come, first-served basis. MFA will conduct outreach to Community Housing Development Organizations (CHDOs) to encourage them to apply.
Describe threshold factors and grant size limits.	Awards of HOME funds to projects that receive 9 percent LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (b) \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs or (c) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non- CHDOs, (b)\$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.
What are the outcome measures expected as a result of the method of distribution?	 Number of rental units constructed for eligible households Number of rental units rehabilitated for eligible households

3	State Program Name:	Homeowner Rehabilitation Program
	Funding Sources:	НОМЕ
	Describe the state program addressed by the Method of Distribution.	The Homeowner Rehabilitation Program provides funding for the rehabilitation of homes occupied by homeowners whose annual household income does not exceed 80 percent of the area median income, adjusted for family size. In the event that substandard units are in such poor repair that rehabilitation is not appropriate, funds may also be used for reconstruction or replacement. Substandard units may be replaced with a new site-built home or new manufactured housing that is affixed to a permanent foundation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Subrecipients are selected based on organizational capacity, financial management capacity, construction experience, quality of program implementation plans, community need and other ranking criteria identified in a Notice of Funding Availability (NOFA) issued by MFA. Homeowners must occupy the home to be rehabilitated and must have annual household incomes at or below 80 percent of AMI adjusted for family size as determined by HUD.
	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the NOFA issued by MFA. Three percent of HOME funds are designated for subgrantee administrative fees.
	Describe threshold factors and grant size limits.	Hard construction costs are generally limited to an average of \$85,000 per home. Funding for soft costs of between \$10,000 - \$13,000 per home, depending on the home's location, may be available to subgrantees. These limits may change slightly, at MFA's discretion. Hard costs have increased due to the rise in building materials pricing.
	What are the outcome measures expected as a result of the method of distribution?	Number of eligible home units rehabilitated or replaced according to the program's standards.
4	State Program Name:	HOME Single Family Development Program
	Funding Sources:	НОМЕ

	Describe the state program addressed by the Method of Distribution.	The HOME Single Family Development Program provides below-market-rate loans to developers for land purchase, infrastructure development and construction of single-family homes for purchase by low-income households. Developers receiving such loans may also apply for grant funding for principal reduction of single family mortgages obtained by purchasers of the constructed homes. Developers of 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HOME single-family development loans and any associated principal reduction grants are provided on a first-come, first- served basis, provided that the project meets MFA's underwriting criteria.
	Describe how resources will be allocated among funding categories.	Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers' mortgages. MFA conducts outreach to CHDOs to encourage to application.
	Describe threshold factors and grant size limits.	Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	 Number of homes constructed for eligible homebuyers Number of eligible homebuyers receiving down payment assistance
5	State Program Name: Funding Sources:	Rental Assistance Program (RR/HP) ESG

Describe the state program addressed by the Method of Distribution.	The Rental Assistance Program (RR/HP) provides funds to subrecipients across the state who deliver emergency assistance to individuals and households experiencing homelessness or at risk of becoming homeless. Assistance can be used for essential services for individuals and families receiving rapid rehousing and homeless prevention assistance as rent, rental arrears, landlord incentives, renter's insurance, security deposits, application fees, housing relocation and stabilization services, housing search and placement, utilities, utility arrears, training, vaccine incentives, hazard pay, volunteer incentives, legal services, and is intended to restore stability for a specific time period. Sub-recipient applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in any procurement process issued by MFA. Beneficiaries of rapid re-housing assistance must meet the definition of homelessness set forth in 24 CFR §576.104. For regular ESG, beneficiaries of homelessness prevention assistance must have incomes at or below 30 percent AMI and have documentation that meet the HUD definition for "At risk of homelessness" as outlined in 24 CFR §576.2 (1). Households deemed eligible for regular ESG homelessness prevention assistance would need to provide one of the following: 1. Certification by the individual or head of household
	 Certification by the individual or head of household that no subsequent residence has been identified, OR Self-certification or other written documentation that the individual or head of household lacks the financial resources and support networks to obtain other housing.

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non- profit organizations, including community and faith-based organizations. (ESG only)	RR/HP funds are currently available to subrecipients through an RFP process. Nonprofit 501(c)(3) organizations and units of general purpose local government are eligible to apply. Selected subrecipients are eligible to receive funds for up to 6 years on an annual basis if the renewal criteria are met each year.
	Describe how resources will be allocated among funding categories	Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's allocation were used for eligible administrative costs incurred by MFA.
	Describe threshold factors and grant size limits. What are the outcome measures expected as a result of the method of distribution?	 Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served. Number of eligible households receiving rapid re-housing assistance Number of eligible persons receiving homelessness prevention assistance
6	State Program Name: Funding Sources:	Emergency Homeless Assistance Program (EHAP) ESG
	Describe the state program addressed by the Method of Distribution.	The Emergency Homeless Assistance Program (EHAP) provides funding for emergency shelter operations, essential services, and data collection using HMIS or Osnium.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	ESG Funds Applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Individuals qualifying for assistance must meet HUD's definition of homelessness.

		·
	Describe the process for	ESG Funds
	awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non- profit organizations, including community and faith-based organizations. (ESG only)	EHAP funds are currently available to subrecipients through an RFP process. Nonprofit 501(C)(3) organizations and units of general purpose local government are eligible to apply. Selected sub-recipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.
	Describe how resources will be allocated among funding categories.	Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's ESG allocation will be used for eligible administrative costs incurred by MFA.
	Describe threshold factors and grant size limits.	Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.
	What are the outcome measures expected as a result of the method of distribution?	 Number of unduplicated eligible persons assisted Number of persons exited to permanent housing
7	State Program Name:	Housing Opportunities for Persons with AIDS (HOPWA) Program
	Funding Sources:	НОРЖА
	Describe the state program addressed by the Method of Distribution.	The HOPWA program provides tenant-based rental assistance; short-term rent, mortgage, and utilities payments (STRMU); permanent housing placement assistance; and supportive services, to income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their total household income does not exceed 80 percent of the area median income as determined by HUD. MFA administers both the City of Albuquerque allocation and the New Mexico Balance of State allocation.

Describe all of the cri will be used to select applications and the importance of these	ative capacity, including financial management capacity, housing experience and plans for proposed areas to be served. These
Identify the method of selecting project spor (including providing f to grassroots faith-ba other community-bas organizations). (HOP	accessfinancial management capacity, housing experience and plans for proposed areas to be served. Nonprofit organizations, including grassroots and community-based organizations, may be eligible to apply.
Describe how resourd allocated among fund categories.	
Describe threshold fa grant size limits.	The HOPWA award for the City of Albuquerque allocation is limited to the allocation less administrative costs incurred by MFA. Award limits for the Balance of State are based on need, or the percentage of persons with HIV/AIDS that are below the federal poverty level in the region to be served.
What are the outcom measures expected a of the method of dist	

⁸ State Program Name: Na	ational Housing Trust Fund (HTF)
Funding Sources:	ΓF
addressed by the Method of pa Distribution. ar in	The HTF program provides forgivable cash flow loans or fixed ayment to developers to finance the production, acquisition ad/or rehabilitation of rental units for households whose comes do not exceed the greater of 30 percent Area edian Income (AMI) or the federal poverty line.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	 I projects must meet the following threshold criteria: HTF-assisted units must provide permanent rental housing for extremely low income (ELI) families. HTF-assisted units must remain affordable to ELI families for at least 30 years. The applicant must certify that HTF-assisted units will comply with all HTF requirements. The project must be financially feasible. HTF-assisted rehabilitation projects must comply with the rehabilitation standards found in the HTF allocation plan in the Grantee Unique Appendices. I projects that meet the threshold criteria will be evaluated cording to the following criteria: Geographic diversity Duration of the affordability period beyond the required 30 years Organization type Absence of project-based assistance Transit-oriented development Rural location Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market rate units Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner Use of state, local and private funding sources Extent to which the project provides permanent

a	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the Notice of Funding Availability issued by MFA, which elaborates on the guidelines described in MFA's HTF Allocation Plan. Up to 10 percent of MFA's allocation and future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202.
	Describe threshold factors and grant size limits.	All awards are limited by the maximum per-unit subsidy limits described in MFA's HTF Allocation Plan and by MFA's underwriting guidelines. Awards of HTF funds to projects that receive 9 percent LIHTCs are generally limited to \$400,000 per project; however, depending on fund availability higher awards may be allowed, at MFA's discretion. Limits on awards of HTF funds to all other projects may be established by MFA based on availability of funds. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.
r	What are the outcome measures expected as a result of the method of distribution?	 Number of units constructed for eligible households Number of units rehabilitated for eligible households

Table 4 - Distribution Methods by State Program

Discussion: The citizen participation process was conducted with FY 2023 allocations as an estimated baseline for CDBG, HOME, ESG, HTF and HOPWA programs. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. This will not require a substantial amendment.

AP-35 Projects – (Optional)

Introduction

MFA and DFA wait to allocate funding on the project level until HUD has published FY formula allocations. When DFA receives notice of CDBG allocation, this is when the allocation/funding decisions commence, and DFA will enter projects into IDIS through AP-35 screen. Likewise, MFA will follow normal allocation/funding decision process after receiving notice from HUD. Projects will be entered into IDIS through AP-35 screen by MFA. This is the normal process and does not cause a substantial amendment to the Action Plan and no further public notice is required.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

HUD funds are being targeted to priority housing and community development needs, including owneroccupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

Regular CDBG allocation percentages are based on a competitive process given the demand-driven nature of the program and HUD regulation. This process prioritizes funding in part to applicants that describe and document significant needs, preventing DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity. The State has set-aside 10 percent of its regular CDBG allocation to support providers located in the Colonias through investments in development/redevelopment projects and for homeless strategy. The Colonias have the additional barrier of the lack of capacity. Many of these communities do not have established local governments, tax bases or the organizational structure to compete for and implement funding. CDBG-CV funding will be used to mitigate damage as the result of COVID-19, which mandates the expeditious utilization of funds in response a rapidly changing health and economic environment.

HOME funds for multifamily developments are awarded after HUD allocations are received through the competitive annual LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come first-served basis as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RR/HP). EHAP funds are provided to emergency shelters that assist homeless

individuals as well as those fleeing domestic violence. Shelters are selected for regular ESG funds through a competitive process that includes eligibility criteria, such as the shelters capacity and previous performance. RR/HP funds are awarded to agencies providing homeless prevention and rapid rehousing services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served.

HOPWA funds are allocated to agencies through a competitive process that includes eligibility criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of persons, per county, living at or below the federal poverty level who are also diagnosed with HIV or AIDS. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced.

The State endures obstacles addressing underserved needs due to lack of funding to meet the full need and service provider capacity, especially in remote rural areas. MFA and DFA will strive to remove barriers to affordable housing by prioritizing and/or incentivizing existing providers and new providers to work in Colonias; strengthening delivery and building capacity to develop and rehabilitate housing in underserved areas; and promoting the development of new organizations to provide housing counseling and financial education around the State.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

The State does not assist non-entitlement units of general local government apply for Section 108 loan funds.

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

The State will allow units of general local government to carry out community revitalization strategies.

State's Process and Criteria for approving local government revitalization strategies

Depending on funding availability and the State's ability to support the request, the State will choose eligible applicants to carry out community revitalization strategies as long as the strategy is in accordance with eligible applicant's Comprehensive Plan, Infrastructure Capital Improvement Plan (ICIP) and meets the low-to-moderate income requirement.

AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Distribution Methods

State Program Name	Funding Sources
DFA Administered CDBG Program	CDBG

Table 5 - Distribution Methods by State Program for Colonias Set-aside

State programs Addressed

DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials with the implementation of needed infrastructure, public facilities, housing rehabilitation, economic development, planning and other critical projects.

Criteria and their importance

The Community Development Council (CDC) and DFA have developed rating and ranking criteria for evaluation of all regular CDBG projects with 10 percent being allocated for Colonias projects. The selection criteria in the rating and ranking system will give priority to projects that firmly demonstrate the following: need, appropriateness, impact and benefit to low- and moderate-income persons. These criteria are outlined in the State's rules and regulations in the New Mexico Administrative Code (NMAC 2.110.2). All regular CDBG applicants are rated and ranked on these criteria, with preference given to Colonias for the set-aside. In order to qualify as a Colonias project, the project must be located within 150 miles of the US/Mexico border, be designated as a Colonias and address one of the following needs: lack of potable water supply; lack of adequate sewage systems; or lack of decent, safe and sanitary housing.

CDBG only: Access of application manuals

The CDBG Implementation manual and other CDBG application information for regular CDBG funds can be found at https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/ and https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/ and https://www.nmdfa.state.nm.us/local-government/community-planning/cdbg-planning-grant/.

ESG only: Process for awarding funds to state recipients

N/A

HOPWA only: Method of selecting project sponsors

N/A

Resource Allocation among Funding Categories

Regular CDBG funding is not allocated among the funding categories until after applications are received, rated/ranked and allocation awards are made.

Threshold Factors and Grant Size Limits

Threshold factors and grant size limits for the Colonias are exactly the same as other non-entitlement communities outside the Colonias.

Outcome Measures expected as results of Distribution Method

Number of people assisted within the Colonias

Discussion

DFA will set aside 10 percent of regular CDBG funding for the Colonias. Counties with Colonias can apply for funding to direct to problem areas in the Colonias.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

DFA will set aside 10 percent of regular CDBG funds for Colonias neighborhoods. Further, pursuant to a memorandum of understanding, the State administers City of Albuquerque's HOPWA funds and those funds must be used within the City of Albuquerque. These funds are administered on behalf of the City and are not direct allocations to the State. They are not included in the percentage distributions for State allocations below. The table below represents regular CDBG funds only.

Geographic Distribution

Target Area	Percentage of Funds
COLONIAS NEIGHBORHOOD	10
Statewide	90

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Colonias have a variety of housing and community development needs that create opportunities for strategic investment. Regular CDBG funds will be targeted for all communities, but particularly in Colonias communities.

Discussion

DFA will set aside 10 percent of regular CDBG funds for Colonias neighborhoods.

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

The below tables reflect one-year goals for the State's HOME funds.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	7
Special-Needs	0
Total	7

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
Production of New Units	32
Rehab of Existing Units	51
Acquisition of Existing Units	0
Total	83

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion

The most important impediment to affordable housing revolves around insufficient federal and state resources for affordable housing initiatives. The lack of full funding for programs and resources to reduce excessive rent or mortgage burdens to qualified persons is a key factor. As a result, the State's goals include a variety of housing approaches that attempt to meet the demand for affordable housing to the fullest extent possible given the limited resources.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

The State of New Mexico has seventeen (17) public housing authorities (PHAs) within the jurisdiction of the State Consolidated Plan. DFA nor MFA operate public housing, therefore, neither agency directly plans resident initiatives. Efforts to collaborate more extensively with PHAs are underway through the State's three (3) Regional Housing Authorities (RHAs), which MFA oversees on behalf of the State. These RHAs are Northern Regional, Western Regional and Eastern Regional.

The actions below encompass seventeen (17) PHAs identified in this plan.

There are three (3) PHAs in New Mexico that are not among the PHAs listed in this plan: City of Albuquerque Housing Authority, Housing Authority of the City of Las Cruces and Santa Fe Civic Housing Authority. All three (3) PHAs are from HUD entitlement communities and plan public housing strategies within the grantee's jurisdiction. This plan does not include information from these public housing authorities.

Tribal Housing Authorities are also not among the PHAs listed in this plan and are not included in the State's public housing strategy. The twenty (20) Tribal Housing Authorities operate independently within sovereign nations. This plan does not include information from Tribal Housing Authorities.

Actions planned during the next year to address the needs to public housing

To the extent possible, MFA will make funding available to PHAs pursuing the redevelopment or rehabilitation of low-income properties for public housing that may be available through various MFA funding sources.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

MFA nor DFA operate public housing, therefore, neither agency directly plans resident initiatives. Local administrators are responsible for these activities. However, MFA is aware some PHAs provide opportunities for residents to participate in homeownership, including first-time homebuyer counseling.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable to the State directly, however, within the State of New Mexico, Northern Regional Housing Authority (NRHA) has been designated as "troubled" by HUD. While not directly responsible for the activities and performance of this housing authority, the State is committed to supporting it in improving its operations. The State will assist by providing oversight, training and technical assistance to support the housing authority in its effort to remove the troubled designation. NRHA has provided documentation to exhibit improved operational performance, however the "troubled" status cannot be changed until their Audited Financial Statements have been completed and approved by HUD. The anticipated completion date is April 2024.

Discussion

No additional discussion beyond points covered above.

AP-65 Homeless and Other Special Needs Activities - 91.320(h)

Introduction

The State aims to reduce homelessness and address the housing needs of individuals with special needs through the following overall strategies:

- Supporting a continuum of housing and supportive services programs that addresses the needs
 of the State's most vulnerable residents through homelessness intervention and rapid rehousing
 as well as by means of integrated services that maintain the housing stability, health and general
 well-being of "at-risk" populations; and
- Maintaining a strong relationship with the New Mexico Coalition to End Homelessness (NMCEH) to enhance and promote stabilization of individuals and families experiencing homelessness and encourage transition to stable, permanent housing situations.

ESG funds allow MFA to provide emergency assistance as well as rental assistance and in-house case management to ensure efficient client transition from homelessness to self-sustainability. HOPWA funds allow MFA to provide housing assistance for people living with HIV/AIDS.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

As a member of the governing boards of Albuquerque and Balance of State CoCs, MFA contributes to the CoCs' outreach planning. In addition, MFA requires that outreach be conducted by service providers receiving ESG funds under MFA's Rental Assistance Program (RR/HP), which provides Rapid Re-Housing services. These outreach efforts may include street outreach, outreach at shelters, outreach to clients receiving services targeted toward those experiencing homelessness and outreach to clients of behavioral health providers. MFA serves on the New Mexico Coordinated Entry System (NMCES) Governing Committees (the two NM CoCs have separate, though parallel, CES systems and administration), which meet quarterly to address issues and strategies for the NMCES, which was launched in June 2014 by the New Mexico Coalition to End Homelessness (NMCEH). The NM Balance of State CoC NMCES supports dedicated administration for both DV and Youth subpopulations. The NMCES has identified and assessed over 75,000 individuals since its inception (appx. 27,800 of these have been prioritized and entered in HMIS), using the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. Most recently, in CY2023, the New Mexico Coordinated Entry System managed 16,652 unduplicated active/open client records statewide, with 3,077 of those assessed as chronically homeless. The assessments are done at NMCEH as well as CoC and ESG-funded agencies, health centers, veteran programs, correctional facilities and during street outreach, including youth-focused projects in northern New Mexico and domestic violence programs statewide. The majority of MFA's RR/HP and EHAP providers are trained in the use of NM

Coordinated Entry System. Ongoing training for new staff members and new agencies will be conducted yearly; domestic violence service providers may elect not to use the NM Coordinated Entry System.

MFA uses ESG funding to support shelter operations, essential services for those residing in shelters, homelessness prevention assistance and rapid rehousing assistance throughout the State. DFA uses CDBG-CV funding to serve number of persons with homelessness prevention assistance.

Goals for ESG funds are to:

- Serve over 2,800 persons with overnight shelter and essential services;
- Serve over 194 persons with homelessness prevention assistance; and
- Serve over 294 households with homelessness prevention assistance.

Note: Goals may be modified upon receipt of allocations as the amount of funding will affect the number of persons that can be served.

Addressing the emergency shelter and transitional housing needs of homeless persons

MFA provides ESG funds for:

- Emergency shelter operating costs;
- Hotel/motel vouchers when shelter beds are unavailable; and
- Eligible essential services to those in shelters, such as case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services and transportation.

NMCEH and MFA are working together to find ways to implement a program of diversion as part of the crisis response system in order to lessen the burden on shelters and help some people avoid homelessness all together. NMCEH and MFA are also working on a plan to link the crisis response system more effectively to the system of permanent housing using coordinated entry.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

MFA provides ESG funds for:

• Rapid re-housing and homeless prevention assistance for persons experiencing homelessness, including:

- Financial assistance with costs such as rental application fees, security deposits, moving costs, utility deposits, rental payments, landlord incentives, legal services, training, and hazard pay;
- Housing search and placement services;
- Case management to assess, arrange, coordinate and monitor delivery of services to facilitate housing stability; and
- Short- to medium-term rental assistance.

NMCEH is working in the three largest communities of Santa Fe, Albuquerque and Las Cruces to use the by-name lists created through coordinated entry along with regular case conferencing meetings to house chronically homeless persons as quickly as possible and to determine what changes need to be made in existing programs to shorten or facilitate the time between identification of a chronically homeless household and placement into appropriate housing. Likewise, the community of Taos is participating in regular by-name list conferencing with the focus on services to homeless youth. NMCEH is working with programs to lower any artificial barriers that lengthen the time it takes to get housed. They use the by-name lists to help communities plan for additional permanent supportive housing to meet the need. For many years NMCEH has been helping programs adopt a housing first approach that serves to keep people housed by avoiding unhelpful evictions from programs. Following an increase in FY2020 – FY2021 that was influenced by the large demand for COVID crisis shelter, and the resulting logistical complications, the system-wide average length of time persons were homeless prior to housing move-in decreased by 94 days but increased 30.3 percent (to 216 days) in the Albuquerque metro area and by 17 days/9.0 percent (to 171 days) in the Balance of State.

Helping low-income individuals and families avoid becoming homeless, especially extremely lowincome individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

MFA provides ESG funds for:

- Homelessness prevention, including:
 - Financial assistance with costs such as rental application fees, security deposits, moving costs, utility deposits, landlord incentives, legal services, training, and payments;
 - Housing search and placement services;
 - Essential services and case management to assess, arrange, coordinate and monitor delivery of services to facilitate housing stability for families and individuals receiving assistance; and

• Short- to medium-term rental assistance.

NMCEH works with the State Housing Leadership group, a committee staffed by the New Mexico Human Services Department that includes other state departments. This group looks at what the State response needs to be to meet the housing needs of people with behavioral health diagnoses, people exiting the correctional system, those exiting foster care and others.

Discussion

NMCEH has noted a 25 percent decrease in the statewide Point in Time count (PIT) between 2011 and 2018, and has further decreased to 29 percent between 2011 and 2022. It seems that this is in part due to the efforts being made to expand housing opportunities and to get people into housing more efficiently. In CY2023, the PIT count included many additional surveyors participating statewide, and significantly more persons were identified in wider sampled counts. In the Balance of State CoC (all areas outside City of Albuquerque), 1,417 total persons were counted (12.9 percent increase from 2022) and, of those, 623 unsheltered persons were counted (59.3 percent increase from 2022). In the City of Albuquerque CoC, 2,394 total persons were counted (87.5 percent increase from 2022) and, of those, 977 unsheltered persons were counted (499.4 percent increase from 2022). These increases are likely due in part to the loss of supplemental services and COVID funding, but especially to the enhanced survey capacity being able to identify more unsheltered persons.

AP-70 HOPWA Goals - 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPV for:	VA
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or	
family	206
Tenant-based rental assistance	117
Units provided in permanent housing facilities developed, leased, or operated with HOPWA	
funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with	
HOPWA funds	0
Total	323

Note: Goals may be modified upon receipt of allocations as the amount of funding will affect the number of persons that can be served.
AP-75 Barriers to Affordable Housing - 91.320(i)

Introduction

Public policies are intended to address overall needs of citizens in the State. Yet, there are times where they may have a negative effect on certain aspects of the community, specifically affordable housing and residential investment. Affordable housing and public and private residential investments are key components in furthering fair housing in any community. The primary tool communities have for identifying contributing factors to these barriers to housing is an assessment of fair housing and fair housing choice. In 2020, the State of New Mexico updated the previous 2015 assessment. Analysis from the 2020 update has found:

- The cost of available housing is cited as the most significant barrier experienced or observed according to survey results.
- Analysis in the 2020-2024 Consolidated Plan revealed housing cost exceeds the income of households at 30 percent and 50 percent of median income. These cost burdens tended to fall more heavily on renters than homeowners.

The State plans corresponding actions designed to (1) continue to support and expand development of new affordable housing and preservation of existing affordable housing, which include the CDBG, HOME, LIHTC, HTF and other programs, (2) educate community stakeholders about the benefits of affordable housing and (3) attract affordable housing investment in New Mexico. Elements of those actions appear within the Consolidated Plan and beyond. Additionally, the State anticipates a review of public policies that may impede the development of affordable housing and to improve the understanding of their consequences.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

As noted, the State plans corresponding actions designed to (1) continue to support and expand development of new affordable housing and preservation of existing affordable housing, which include the CDBG, HOME, LIHTC, HTF and other programs, (2) educate community stakeholders about the benefits of affordable housing and (3) attract affordable housing investment in New Mexico. Elements of those actions appear within this Consolidated Plan and beyond.

Discussion

Though there are several barriers to affordable housing, the main barrier is the cost and availability of affordable housing units. The State continues efforts to expand development of new affordable housing and preservation of existing affordable housing. MFA has developed a housing strategy and has identified main areas to develop process enhancements. MFA leverages funding and strategies to align with entire organizations efforts with the priorities of highest impact actions to address housing

challenges.

AP-80 Colonias Actions - 91.320(j)

Introduction

A qualified Colonias is a rural community with a population of 25,000 or less located within 150 miles of the US-Mexico border that has been designated as a Colonias by the county or municipality due to:

- Lack of potable water;
- Lack of adequate sewage systems;
- Lack of decent, safe and sanitary housing; and
- Has been in existence as a Colonias prior to November 1990.

Many Colonias in New Mexico are not units of local government. As such, these communities do not have the capacity to apply for and implement funding on their own accord. County and local governments that contain Colonias communities are able to apply for funding that can be directed towards needs in these communities.

DFA will target regular CDBG funds for Colonias communities to help ensure that low-income households have access to adequate infrastructure and services. As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure. County and local governments will be able to apply for funds that will be directed to serve the needs of Colonias.

Actions planned to address obstacles to meeting underserved needs

The greatest obstacle to meeting underserved need in the Colonias is the lack of capacity to apply for and implement funding. In order to meet the needs of Colonias, the State will call upon cities, counties and other eligible entities to assist in aligning and administering funds. These eligible entities will be able to apply for funds that will be directed to serve the needs of Colonias.

Actions the state plans to take to reduce the number of poverty-level families

Colonias communities have a high concentration of low-income households as well as a variety of infrastructure and public service needs. DFA will set aside regular CDBG funds for Colonias to help ensure that low-income households have access to adequate infrastructure and services.

As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure.

Actions the state plans to take to develop the institutional structure

In order to facilitate a system that will meet the needs of the Colonias, the State will work with cities and counties that contain Colonias communities to administer funding. This will develop the responsiveness of the counties to meet the needs of the Colonias.

Specific actions the state plans to take to enhance coordination between public and private housing and social service agencies

MFA will prioritize funding to entities (public, for-profit private and non-profit private) that serve those of lower incomes and coordinate and leverage services and resources.

Discussion

DFA will target 10 percent of its regular CDBG allocation for Colonias communities to help ensure that low-income households have access to adequate infrastructure and services. As an advisory member to the Colonias Infrastructure Board (CIB), MFA will continue to advise the CIB on best uses for CIB funds to assist Colonias residents in gaining access to housing infrastructure.

AP-85 Other Actions - 91.320(j)

Introduction

The greatest obstacle to meeting underserved needs in New Mexico is the lack of funding. The need is far greater than the supply. The State will continue to seek additional sources of funding to expand the scope of activities and implement other improvements as described below.

Actions planned to address obstacles to meeting underserved needs

In New Mexico, some communities outside of the metropolitan areas lack service providers to administer a full range of affordable housing and infrastructure improvement programs. Partners often request resources and training to build capacity in addressing local needs. DFA and MFA allocate and prioritize funds for underserved areas. MFA will seek additional funds, leverage resources when possible, and ensure funds that are available are used efficiently. As part of program management, MFA and DFA will provide training workshops during the year and technical assistance on a one-to-one basis to organizations working in underserved areas. Additionally, MFA and DFA will use funds, if available, to provide capacity building via training, operational funding and awards of federal funds.

Actions planned to foster and maintain affordable housing

MFA continues to fund efforts to create and maintain affordable housing through dedicating HOME and HTF funds to rental development, single-family development combined with homeownership assistance and rehabilitation of owner-occupied housing.

Actions planned to reduce lead-based paint hazards

MFA and DFA will continue to meet all applicable HUD lead-based paint abatement standards in its CDBG, HOME and HTF rehabilitation programs. Through financing new construction of rental units under its HOME and HTF programs, MFA will continue to expand the stock of lead-safe housing units. MFA will also continue to train 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 addition, continue to seek funding as it becomes available to provide training, educational awareness, testing and abatement of lead-based paint hazards.

Actions planned to reduce the number of poverty-level families

In creating additional affordable housing options and community development opportunities throughout the State, MFA will be a part of the larger network that supports families on the road to self-sufficiency. The State has a variety of programs available to poverty-level families, and the funds administered in this Plan will continue to support efforts to create affordable housing, suitable living environments and economic opportunities for those households. MFA will continue to coordinate and collaborate with other Participating Jurisdictions (PJs) to focus efforts in assisting those with the most

need.

Actions planned to develop institutional structure

MFA plans on holding bi-annual housing summits which bring providers across the full housing continuum to include private, public and social service agencies. This summit is the leading housing summit in the State and serves as a venue to coordinate and collaborate on housing programs and services. Additionally, MFA regularly holds meetings on various programs to get feedback on how programs can be improved and to highlight best practices among providers. MFA continues hybrid training and outreach opportunities to maximize information to potential service providers.

Actions planned to enhance coordination between public and private housing and social service agencies

As part of its biennial Housing Summit, MFA will bring together both public, private housing and social service agencies to collaborate and participate in workshops together. The 2022 Housing Summit was held in September 2022 and was a huge collaboration success with an increase of valuable participants and stakeholders as a sold-out event. The next Housing Summit is scheduled for fall of 2025. Which will also include sessions on the newest committee and association of statewide housing strategy.

Discussion

New Mexico lacks funding to meet all needs of underserved populations, the State is committed to seeking additional funding and implementing further improvements.

AP-90 Program Specific Requirements – 91.320(k)(1,2,3) Introduction

In implementation of programs and activities under the 2024 Action Plan, MFA and DFA will follow all HUD regulations concerning the use of program income, forms of investment, overall low and moderate income benefit for the CDBG program, recapture requirements for the HOME program, ESG performance standards, HOPWA project goals and HTF evaluation criteria. MFA certifies that it will pursue all resources indicated in this Plan and will not willingly or knowingly hinder the implementation of any planned activities. Grant specific CDBG, HOME, ESG, HOPWA and HTF requirements are addressed on the following pages.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Other CDBG Requirements	
Total Program Income:	0
5. The amount of income from float-funded activities	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
3. The amount of surplus funds from urban renewal settlements	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0

1. The amount of urgent need activities 0

2. The estimated percentage of CDBG funds that will be used for activities that
benefit persons of low and moderate income. Overall Benefit - A consecutive
period of one, two or three years may be used to determine that a minimum
70.00%
overall benefit of 70 percent of CDBG funds is used to benefit persons of low and
moderate income. Specify the years covered that include this Annual Action Plan.

Years covered: 2020-2024

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME funding is not being used for any form of investment other than those identified in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

MFA's recapture and affordability guidelines are included in the Grantee Unique Appendices.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

MFA's recapture and affordability are included in the Grantee Unique Appendices.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

MFA may, at its discretion, use HOME funds for refinancing only when needed in order to permit or continue affordability of rental units when rehabilitation is the primary activity. Rehabilitation expenditures must be at least \$7,100 per unit being rehabilitated, indexed annually for inflation. Such investments are permitted to maintain current affordable units, create additional affordable units, or both. MFA's underwriting standards for an initial investment of HOME funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with market and review of total development costs and sources available to meet these needs. In addition, MFA will review management practices to demonstrate that disinvestment in the property has not occurred, that the long-term needs of the

project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated. The required period of affordability will be at least fifteen years. HOME funds for this purpose may be used statewide. However, HOME funds cannot be used to refinance multifamily loans made or insured by any federal program. Any unpaid balance of these loans is due in full at maturity or upon the sale or transfer to an ineligible party.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

MFA's ESG written standards can be found in the Grantee Unique Appendices.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The New Mexico Coalition to End Homelessness (NMCEH) launched a statewide coordinated assessment project, and the New Mexico Coordinated Entry System (NMCES), has identified and assessed over 75,000 individuals since then. The NMCES uses the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. Assessments are done at the NMCEH as well as CoC- and ESG-funded agencies, health centers, veteran programs, in correctional facilities and during street outreach. The majority of MFA's RR/HP and EHAP providers are trained in the use of NMCES. Ongoing training for new staff members and new agencies is conducted yearly; domestic violence service providers may elect not to use the NMCES.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Regular ESG funds are currently available to subrecipients through a competitive RFP process. Nonprofit 501(c)(3) organizations are eligible to apply. Selected subrecipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services

funded under ESG.

This requirement does not apply to states.

5. Describe performance standards for evaluating ESG.

MFA's performance standards include placement of homeless individuals into permanent housing, services provided, individuals assisted and efficient utilization of funds. General performance standards are being reported, such as the unduplicated number of persons or households prevented from becoming homeless and the unduplicated number of those exiting homeless shelters into permanent housing.

Housing Opportunities for Persons with AIDS (HOPWA) Project Sponsors

HOPWA funding is allocated to project sponsors based upon a competitive Request for Proposals (RFP) including a renewal option. Further, MFA and the City of Albuquerque have signed a Memorandum of Understanding that allows for MFA to administer the City of Albuquerque's HOPWA allocation. MFA issued an RFP for funding for both the City of Albuquerque allocation and the New Mexico non-entitlement allocation, and service providers were awarded one-year contracts with the option to renew for two additional years. The HOPWA one-year goals are described in AP-20 and AP-70.

Service providers establish waitlist policies for households eligible for assistance. The policy may be unique to individual providers but should include the following:

- Definition and purpose of waitlist policy (to include equitable process for all households)
- Process of determining eligibility and priority level for waitlist
- Process of updating waitlist
 - a) Notifying case managers of open slot on waitlist
 - b) Factors that can lead to a household being removed from waitlist.

Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)

- 1. How will the grantee distribute its HTF funds? Select all that apply:
 - Applications submitted by eligible recipients
 - □ Subgrantees that are State Agencies

□ Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies

and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

If distributing HTF funds by selecting applications submitted by eligible recipients:
 a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible recipients include nonprofit entities, for-profit entities, public housing agencies and tribally designated housing entities. Participating recipients must be approved by MFA and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of 24 CFR 93.200. To be eligible to receive HTF assistance:

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.
- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds during its most recent fiscal year and its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);

- If referenced in audit as a separate communication, no submission of management; response letter and management response to concerns noted in the management letter; and
- If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - o Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out HTF funded projects must also evidence good standing in the System for Award Management (SAM) (<u>https://www.sam.gov</u>).

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Entities seeking HTF dollars for eligible projects may submit MFA's Rental Development Project Application to MFA, which is posted on MFA's website.

Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in-order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. All applications submitted by the deadline for a particular MFA Board of Directors meeting will be treated as one funding round and evaluated concurrently. Subject to fund availability, final funding decisions will be made by MFA's Board of Directors. If sufficient funds are not available to fund all applications that meet the requirements outlined in this NOFA, the application receiving the highest score will be recommended to the MFA Board of Directors for approval, followed by the next highest scoring application, etc., until the remaining funds are no longer sufficient to fulfill the next highest scoring application's requested loan amount.

If funds remain following the initial funding round, MFA will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Application forms will be provided electronically and may be downloaded from MFA's website at http://www.housingnm.org/developers.

At a minimum, applications will require information on the following:

- Applicant's development capacity and experience
- Applicant's financial condition
- Capacity and experience of all other members of the development team
- Development cost budget
- Proposed sources of financing
- Unit mix and projected rents
- Operating cost budget
- Cash flow projection
- Narrative description of the project
- Architectural plans

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All projects must meet the following threshold criteria:

- HTF-assisted units must provide permanent rental housing for ELI families
- HTF-assisted units must remain affordable to ELI families for at least 30 years
- The applicant must certify that HTF-assisted units will comply with all HTF requirements
- The project must be financially feasible
- HTF-assisted rehabilitation projects must comply with the rehabilitation standards found in the 2024 HTF Allocation Plan in the Grantee Unique Appendices.
- The project must include at least four (4) rental units.

All projects that meet the threshold criteria will be evaluated according to the following criteria:

Scoring Criteria	Points
Geographic diversity	

No other Low Income Housing Tax Credit, public housing, or federally-subsidized housing projects within:	3 or 5
• ¼ mile radius = 3 points	
• ½ mile radius = 5 points	
Duration of the affordability period beyond the required 30 years	5
Projects committed to an additional five or more years	
Energy efficiency	
Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards	5
Organization type	
Developer/general partner is a New Mexico nonprofit organization, a Tribal Designated Housing Entity (TDHE), or a public housing authority	5
Absence of project-based rental assistance	5
Projects without project-based rental assistance or projects that have or will have project-based rental assistance covering less than or equal to 25% of the total units	
Transit-oriented development	10
Projects within 1/2-mile walking distance of public transportation	
Public transportation must be established and provided on a fixed route with scheduled service. Alternative forms of transportation may be acceptable, provided sufficient documentation is submitted that establishes the alternative form of transportation is acceptable to MFA. A future promise to provide service does not satisfy this scoring criterion.	
Tribal or Rural location	10
Tribal or Rural Housing projects, defined as follows:	
A. Tribal – Projects located on tribal lands, or	
B. Rural – Projects located outside of the boundaries of Bernalillo County, the City of Rio Rancho, the City of Las Cruces, the City of Santa Fe, the City of Farmington or the City of Roswell.	

		Up to 10
	ation of new units serving ELI households, through new construction, aptive reuse or conversion of market-rate units	
Exa	imples:	
	 New construction of 4 new units (minimum project size) consisting of 3 market rate units and 1 ELI unit = 1 point 	
	 Adaptive reuse of a hotel into 30 units consisting of 10 market rate units, 10 units at 50% AMI, and 10 ELI units = 10 points 	
Eac	ch new ELI unit = 1 points (Capped at 10 points)	
Rea	adiness	Up to 20
	olicant's ability to obligate HTF funds and undertake eligible activities in a ely manner	
Pro	jects that have	
(1)	evidence of site control =5 points	
	evidence that the current zoning of the proposed site does not prohibit Itifamily housing = 5 points	
(3)	evidence of all other non-MFA funding sources	
	a.) letters of interest from all other non-MFA funding = 5 points	
	b.) commitment letters from all other non-MFA funding sources = 10 points	
Lev	rerage	Up to 20
Use	e of state, local and private funding sources	
inco	jects that have funding sources outside of federal funding sources, low- ome housing tax credits, bond financing, and MFA funding sources, as ows:	
10%	% of HTF funds requested = 4 points	
209	% of HTF funds requested = 8 points	

30% of HTF funds requested = 12 points	
40% of HTF funds requested = 16 points	
50% of HTF funds requested = 20 points	
 Extent to which the project meets any of the following priority housing needs identified in the NM Consolidated Plan: housing for the elderly and frail elderly, housing for persons with severe mental illness, housing for persons with disabilities, housing for persons with alcohol or other addictions, housing for persons with HIV/AIDS, housing for victims of domestic violence, housing for individuals or households experiencing homelessness, as follows: 10% of HTF units targeted to any priority housing need = 4 points 20% of HTF units targeted to any priority housing need = 8 points 30% of HTF units targeted to any priority housing need = 12 points 40% of HTF units targeted to any priority housing need = 16 points 50% of HTF units targeted to any priority housing need = 20 points 	Up to 20
Total Possible Points = 115	
Minimum Points Required = 40	

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the Consolidated Plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Points within this scoring criterion are given based on the project's distance from another Low Income Housing Tax Credit, public housing, or federally-subsidized housing project. This scoring criterion falls within the Low Priority category.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner is awarded points based on the following readiness criteria:

(1) Evidence of site control

(2) Evidence that the current zoning of the proposed site does not prohibit multifamily housing

(3) Evidence of all other non-MFA funding sources, such as:

- a. Letters of interest from all other non-MFA funding
- b. Commitment letters from all other non-MFA funding sources

This scoring criterion falls within the High Priority category.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants are awarded points for projects that either do not have project-based rental assistance or projects that have or will have project-based rental assistance cover less than or equal to 25 percent of the total units. This scoring criterion falls within the Low Priority category.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants are awarded points if the duration of the affordability period beyond the required 30 years is an additional five (5) years or more. This scoring criterion falls within the Low Priority category.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

One of the State's priority housing needs, as described in SP-25, is to preserve and develop affordable housing. Applications selected to receive HTF funding will meet this priority housing need and will specifically fulfill the State's goal, associated with that priority need, of developing housing for vulnerable populations.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants whose projects have funding sources outside of federal funding sources, Low Income Housing Tax Credits, bond financing and MFA funding sources are awarded points.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

[X] Yes [] No [] N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

[X] Yes [] No [] N/A

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

[X] Yes [] No [] N/A

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

MFA will use the maximum per-unit subsidy limits for HUD's HOME program in effect at the time of commitment of HTF funds.

MFA examined the development cost budgets of recent MFA-funded projects and determined that all were well within these subsidy limits, and that these limits would allow cost premiums that may be necessary in developing housing for certain ELI populations.

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

See attached *HTF Allocation Plan* in the Grantee Unique Appendices for the HTF rehabilitation standards.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

11. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its Consolidated Plan or Annual Action Plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

HTF applicants are permitted to limit occupancy to or provide preference to the following populations in accordance with 24 CFR 93.303(d):

• Households or individuals experiencing homelessness;

- Individuals with disabilities;
- Individuals with severe mental illnesses;
- Individuals with alcohol or other addictions;
- Individuals with HIV/AIDS;
- Victims of domestic violence;
- Senior housing;
- Veterans;
- Individuals on public housing waiting lists;
- Youth transitioning out of foster care; and
- Ex-offenders

While not required to limit occupancy or provide preference to the populations described above, owners of HTF-assisted projects who do must do so in accordance with 24 CFR 93.303(d). The intent is merely to allow owners of HTF-assisted projects to limit occupancy to or provide preference to populations identified within this section as well as the priority housing needs identified in the New Mexico Consolidated Plan. Any limitation or preference must not violate nondiscrimination requirements. Federal fair housing requirements, including the duty to affirmatively further fair housing, are applicable to the HTF program. A limitation does not violate nondiscrimination requirements if the project also receives funding from a federal program that limits eligibility to a particular segment of the population (e.g. Housing Opportunity for Persons Living with AIDS program, the Section 202 and Section 811 programs) or the Housing for Older Persons Act.

12. **Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

MFA may, at its discretion, use HTF funds for refinancing only when needed in order to permit or continue affordability of rental units when (1) rehabilitation is the primary activity, (2) the use of HTF funds is proportional to the number of HTF-assisted units in the project, and (3) the rehabilitation cost attributable to the HTF units is greater than the amount of debt to be refinanced that is attributed to the HTF units. To ensure that refinancing of existing debt with HTF funds meets the requirements of 24 CFR 93.201(b)(1), the rehabilitation cost proportional to the number of HTF-assisted units in the rental project must be greater than the amount of refinanced debt proportional to the number of HTF-assisted units. Rehabilitation expenditures must be at least \$7,100 per unit being rehabilitated, indexed annually for inflation. MFA's minimum affordability period and underwriting standards for an initial investment of HTF funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with the market and review of total development costs and sources available to meet these needs. HTF funds for this purpose may be used statewide.

Discussion:

Please view the HTF Allocation Plan in the Grantee Unique Appendices.

Data Sources

1	Data Source Name
	2012-2016 ACS 5-Yr Estimates
	List the name of the organization or individual who originated the data set.
	US Census Bureau

	Provide a brief summary of the data set.
	The American Community Survey (ACS) is an ongoing survey that provides data every year giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.
	What was the purpose for developing this data set?
	Information from the ACS helps determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2012-2016 ACS 5-Year Estimates
	What is the status of the data set (complete, in progress, or planned)?
	Complete
2	Data Source Name
	2011-2015 CHAS
	List the name of the organization or individual who originated the data set.
	US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)

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	Provide a brief summary of the data set.
	Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.
	What was the purpose for developing this data set?
	The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2011-2015 CHAS
	What is the status of the data set (complete, in progress, or planned)?
	Complete
3	Data Source Name
	2000 Census, 2012-2016 ACS
	List the name of the organization or individual who originated the data set.
	US Census Bureau

Т

Provide a brief summary of the data set.

The US Census 2000 contains detailed tables presenting data for the United States, 50 states, the District of Columbia and Puerto Rico focusing on age, sex, households, families, and housing units. These tables provide in-depth figures by race and ethnicity.

The American Community Survey (ACS) is an ongoing survey that provides data every year – giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion in federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.

What was the purpose for developing this data set?

Census information affects the numbers of seats a state occupies in the U.S. House of Representatives. An accurate count of residents can also benefit the community. The information the census collects helps to determine how more than \$400 billion dollars of federal funding each year is spent on infrastructure and services. Among other things, Census data is used to advocate for causes, rescue disaster victims, prevent diseases, research markets, locate pools of skilled workers and more.

ACS: Information from the ACS help determine how more than \$400 billion in federal and state funds are distributed each year to help communities, state governments, and federal programs.

How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?

The State of New Mexico

What time period (provide the year, and optionally month, or month and day) is covered by this data set?

2000 Census

2012-2016 ACS 5-Year Estimates

What is the status of the data set (complete, in progress, or planned)?

Complete

I	ist the name of the organization or individual who originated the data set.
	2011-2015 ACS and 2015 Longitudinal Employee-Household Dynamics: United States Census Bureau
F	Provide a brief summary of the data set.
ؤ ا f	The American Community Survey (ACS) is an ongoing survey that provides data every year giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more than \$400 billion Federal and state funds are distributed each year. The ACS is accessed through the American FactFinder website, which provides data about the United States, Puerto Rico and the Island Areas.
E	The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.
١	What was the purpose for developing this data set?
	ACS: Information from the ACS help determine how more than \$400 billion in federal and stat Funds are distributed each year to help communities, state governments, and federal program
C F a	EHD: Information from the LEHD helps state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, an obs with state-of-the-art confidentiality protections and no additional data collection burden
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
٦	The State of New Mexico

	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2011-2015 ACS (Workers), 2015 LEHD (Jobs)
	What is the status of the data set (complete, in progress, or planned)?
	Complete
5	Data Source Name
	2018 CoC PIT
	List the name of the organization or individual who originated the data set.
	The City of Albuquerque CoC and the Balance of State CoC.
	Provide a brief summary of the data set.
	The Point-in-Time (PIT) count is data on the number of sheltered and unsheltered people and their characteristics experiencing homelessness on a given night as reported by the Continuums of Care.
	What was the purpose for developing this data set?
	To identify the number and characteristics of homeless individuals and families on a given night in the state to assess the available resources and inform the CoCs of program needs.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico is covered by the City of Albuquerque CoC and the Balance of State CoC.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	January 2018
	What is the status of the data set (complete, in progress, or planned)?
	Complete

6	Data Source Name
	NM HIV Surveillance & Epidemiology Program, 2016 Annual Report
	List the name of the organization or individual who originated the data set.
	New Mexico Department of Health
	Provide a brief summary of the data set.
	The New Mexico Department of Health's HIV Surveillance & Epidemiology Program collects, analyzes, and disseminates surveillance data on HIV infection in New Mexico. This data is collected into an HIV surveillance annual report and includes HIV infection population counts, characteristics, regional impacts and yearly trends.
	What was the purpose for developing this data set?
	The annual surveillance report summarizes information about diagnosed HIV infections of which this information is used by the New Mexico Department of Health's partners including other agencies, health departments, nonprofits, academic institutions and healthcare providers to help optimize efforts, plan services, allocate resources, develop policy and monitor trends in HIV infection.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2016
	What is the status of the data set (complete, in progress, or planned)?
	Complete
7	Data Source Name
	2018 HOPWA CAPER

List the name of the organization or individual who originated the data set.
MFA Community Development Department
Provide a brief summary of the data set.
The 2018 HOPWA CAPER is an annual report providing program accomplishments for serving persons with HIV/AIDS and is part of the 2018 Consolidated Annual Performance and Evaluation Report that is submitted to HUD 90 days following the end of the program year. The HOPWA CAPER provides beneficiary counts and demographic and economic characteristics.
What was the purpose for developing this data set?
The 2018 HOPWA CAPER provides annual information on program accomplishments that supports program evaluation and the ability to measure program beneficiary outcomes as related to maintaining housing stability, prevent homelessness and improve access to care and support for persons with HIV/AIDS.
How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? The State of New Mexico
What time period (provide the year, and optionally month, or month and day) is covered by this data set?
2018
What is the status of the data set (complete, in progress, or planned)?
Complete
Data Source Name
HUD 2019 Fair Market Rents (FMR)
List the name of the organization or individual who originated the data set.
US Department of Housing and Urban Development (HUD)

	Provide a brief summary of the data set.
	Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county. FMRs are displayed for efficiency (studio), 1-bedroom, 2-bedroom, 3-bedroom and 4-bedroom units by local counties as there is no statewide FMR.
	What was the purpose for developing this data set?
	Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs such as HOME.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	The State of New Mexico
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	2019
	What is the status of the data set (complete, in progress, or planned)?
	Complete
9	Data Source Name
	HUD 2018 CoC Homeless Assistance Programs, Housing Inventory Count Report
	List the name of the organization or individual who originated the data set.
	This data is provided to HUD by the two CoCs in New Mexico: Albuquerque CoC and the New Mexico Balance of State CoC.
	Provide a brief summary of the data set.
	The CoC Homeless Assistance Programs, Housing Inventory Count (HIC) Report is a count of all the emergency shelter beds, transitional housing beds and permanent supportive housing beds in the state.

What was the purpose for developing this data set?

HIC counts provide a snapshot of the homeless housing inventory in the state. The HIC reports from each CoC tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing.

How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?

The State of New Mexico

What time period (provide the year, and optionally month, or month and day) is covered by this data set?

2018

What is the status of the data set (complete, in progress, or planned)?

Complete



TO:	Board of Directors
THROUGH:	Contracted Services Committee on April 9, 2024 New Mexico Housing Trust Fund Advisory Committee on April 8, 2024 Policy Committee on April 1, 2024
FROM:	Daniela Freamon, Program Manager Sonja Unrau, Sr. Research and Development Manager
DATE:	April 17, 2024
SUBJECT:	Recommendation to Award \$500,000 to HagermanForward Inc. Application Under the Housing Innovation Notice of Funding Availability

Recommendation

Staff recommends the approval of a \$500,000 award to HagermanForward Inc. under the Housing Innovation Program Notice of Funding Availability (NOFA). The funding source of the Housing Innovation Program is New Mexico Housing Trust Funds, therefore staff recommends approval by MFA, as Trustee of the New Mexico Housing Trust Fund.

Background

The Housing Innovation Program NOFA was approved by the MFA Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other MFA programs and an opportunity for eligible applicants to fund a community tailored housing solution. Through the \$5 million initially available from the New Mexico Housing Trust Fund, MFA assists underserved populations, to cultivate new partnerships, and to fund projects that may be scalable.

Discussion

The Housing Innovation Program Scoring Committee was approved by the Policy Committee on September 5, 2023. Per the Scoring Committee review on March 19, 2024, the HagermanForward Inc. application met all threshold requirements and score sufficient points to merit an award.

HagermanForward Inc

Hagerman Forward was established in 2010 to provide charitable assistance to both Chaves County and the residents of Hagerman, NM. Recognized as a 501 (c)(3) charitable organization by the IRS in 2011, its mission is to enhance the communities of Chaves County through collaborative efforts among agencies and individuals. The organization's goals include fostering the development of a sustainable entrepreneurial economy, facilitating access to affordable and safe housing, and preserving the area's culture, history, and sense of community, with a focus on strengthening families.

The HagermanForward Inc. application proposes an innovative program, Rehab-to-Rental (R2R), to stabilize housing environments and protect vulnerable populations through collaboration and

relationship building. R2R will use its Housing Innovation award to bring below-standard rental properties up to HUD habitability standards to then rent to HUD voucher holders. This program aims to increase the number of available and qualified units of HUD housing for voucher holders who often wait many months, require multiple voucher extensions, or are unable to find qualified housing. The program addresses two housing needs through one program: the need to increase the supply of affordable housing and the need of housing opportunities for vulnerable populations.

After receiving \$40,000 in funding through With Many Hands, HagermanForward launched the pilot R2R program in 2023 and successfully rehabilitated four units which are all now occupied by voucher holders. Through a partnership with the Eastern NM Regional Housing Authority and various forms of advertising, HagermanForward Inc. encouraged property owners to participate and enter the HUD voucher program with confidence. After the rehabilitation of the homes was completed, HagermanForward utilized its established relationship with Alianza of New Mexico to identify participants in the Emergency Solutions Grants programs who cannot find housing.

Recommended Award	# of Units	Application Score
\$500,000	At least 22	82

Summary

The Housing Innovation Scoring Committee recommends awarding \$500,000 to HagermanForward Inc. under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund.



то:	Board of Directors
THROUGH:	Contracted Services Committee on April 9, 2024 New Mexico Housing Trust Fund Advisory Committee on April 8, 2024 Policy Committee on April 1, 2024
FROM:	Daniela Freamon, Program Manager Sonja Unrau, Sr. Research and Development Manager
DATE:	April 17, 2024
SUBJECT:	Recommendation to Award \$450,000 to San Felipe Pueblo Housing Authority (SFPHA) Application Under the Housing Innovation Notice of Funding Availability

Recommendation

Staff recommends the approval of a \$450,000 award to the San Felipe Pueblo Housing Authority (SFPHA) under the Housing Innovation Program Notice of Funding Availability (NOFA). The funding source of the Housing Innovation Program is New Mexico Housing Trust Funds, therefore staff recommends approval by MFA, as Trustee of the New Mexico Housing Trust Fund.

Background

The Housing Innovation Program NOFA was approved by the MFA Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other MFA programs and an opportunity for eligible applicants to fund a community tailored housing solution. Through the \$5 million initially available from the New Mexico Housing Trust Fund, MFA assists underserved populations, to cultivate new partnerships, and to fund projects that may be scalable.

Discussion

The Housing Innovation Program Scoring Committee was approved by the Policy Committee on September 5, 2023. Per the Scoring Committee review on March 19, 2024, the San Felipe Pueblo Housing Authority application met all threshold requirements and score sufficient points to merit an award.

San Felipe Pueblo Housing Authority (SFPHA)

In 2023, MFA awarded \$350,000 to SFPHA in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) funding to assist with re-roofing dilapidated roofs for low-moderate income-level families. This funding was completed with great success- serving 22 households in three months, however, because of the positive impact on the Pueblo, SFPHA received 60 additional applications.

If awarded SFPHA would be able to assist 24 of the 60 additional families with re-roofing/repairs on their homes. SFPHA currently has three roofing companies contracted through various projects on the reservation and will conduct a competitive procurement process for the roof installations. SFPHA is

prepared to use \$50,000 from its own HUD-approved Tribal Force Account for demolition and replacement of decking, trusses, etc.

# of Units	Application Score
24	90
	# of Units 24

Summary

The Housing Innovation Scoring Committee recommends awarding \$450,000 to the San Felipe Pueblo Housing Authority (SFPHA) under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund.



TO:	Board of Directors			
	Through:	Contracted Services – April 9, 2024		
	Through:	Policy Committee – April 1, 2024		
50014	Turu Curchian			
FROM:	Troy Cucchiara			
DATE:	April 17, 2024			
SUBJECT:	NM Energy\$m	art Approval of 2024/2025 DOE Annual and Master State Plans		
	Per DOA: #21	State Plan approval and allocation of DOE funds		

Recommendation

Approval of the NM Energy\$mart 2024/2025 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans.

Background

State Plan Description

The State Plan is the annual application package that is submitted by MFA to the DOE prior to receiving funding for the Weatherization Assistance Program. DOE requires that the State Plan is submitted to them by May 1. The State Plan consists of two sections, the Annual Plan and the Master Plan.

The Annual Plan includes a detailed breakdown of how the funds will be allocated. The Master Plan describes how the program will be managed overall by the NM Energy\$mart Program.

Total Program Funding

For Program Year 2024/2025 the anticipated funding from all funding sources for the NM Energy\$mart Program is **\$19,450,734.** The State Plan only includes the DOE and Sustainable Energy Resources for Consumers (SERC) funding.

Funding Source	2024-2025
DOE	\$2,760,217
DOE SERC (Carry Over)	\$1,810,551
Bipartisan Infrastructure Law (BIL)	\$4,413,350
LIHEAP	\$2,500,000
New Mexico Gas Co.	\$1,600,000
Coronavirus State and Local Fiscal Recovery Fund (CSLRF)	\$836,763
NMHTF (\$2.5M already approved for solar in November 2023)	\$5,000,000
Public Service Company of NM	\$322,656
El Paso Electric	\$207,197
Total	\$19,450,734

Other than DOE, funding sources referred to as leverage are used to increase the amount of work each home receives and it allows the federal funds to stretch further to weatherize more homes. An explanation of those funding sources is below:

- Utility funding such as NM Gas, PNM, and El Paso Electric are driven by energy savings and Public Regulation Commission requirements.
- Low Income Heating Energy Assistance Program (LIHEAP) funding is a federal source. Guidelines are based on DOE rules and regulations.
- Coronavirus State and Local Fiscal Recovery Fund (CSLRF) will be used for emergency home repairs and full weatherization.

	2024 Allocations					
Category	MFA	Central NM Housing Corp.	Southwestern Regional Housing & CDC	Red Feather Development	ICAST	Total
		Housing Corp.	Housing & CDC		(Multifamily)	
Administration	\$138,010.85	\$149,080.77	\$61,606.25	\$10,130.34	\$55,204.34	\$414,032.55
Leverage	\$9,000.00	-	-		-	\$9,000.00
Readiness Fund	-	\$147,879.20	\$61,109.71	\$10,048.69	\$54,759.40	\$273,797.00
Capital Outlay	\$291,000.00	-	-		-	\$291,00.00
Training & Technical Assistance	\$110,867.00	\$105,000.00	\$119,000.00	\$55,000.00	\$67,500.00	\$457,367.00
Program Operations	-	\$488,466.29	\$201,854.19	\$33,192.27	\$180,878.19	\$904,390.94
Health & Safety	-	\$164,919.52	\$68,151.47	\$11,206.61	\$61,069.40	\$305,347.00
Financial Audit	-	\$10,000.00	0-	0-	0-	\$10,000.00
Liability Insurance	-	\$31,594.75	\$43,943.76	\$7,500.00	\$12,244.00	\$95,282.51
TOTAL Grant	\$548,877.85	\$1,096,940.53	\$555,665.38	\$127,077.91	\$431,655.33	\$2,760,217.00
Estimated DOE Units	-	98	40	7	36	181
	Sustainable Energ	y Resources for C	onsumers (SERC)	1		I
Administration	\$89,533.40				\$105,191.95	\$194,725.35
Program Operations					\$1,615,825.26	\$1,615,825.26
Total SERC	\$89,533.40				\$1,721,017.21	\$ 1,810,550.61
SERC Units						200
Total State Plan	\$638,411.25	\$1,096,940.53	\$555,665.38	\$127,077.91	\$2,152,672.54	\$4,570,767.61

Service Provider Category Breakdown

** The admin allocation is set at 15% total with MFA receiving 5% and the remaining 10% allocated to our Subgrantees.

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Process

The State Plan is subject to a 10-day public comment and review period. It was advertised in 15 statewide New Mexico newspapers and was posted on the MFA website on March 25, 2024. A Weatherization Assistance Program Policy Advisory Committee (WAP PAC) meeting and public hearing was virtually held on March 27, 2024. One comment was received regarding counties that were allocated to Central, that should have been allocated to Southwest Regional. The error was remedied and clarified during the Public Hearing.

Summary

The NM Energy\$mart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$9,150 in weatherization measures including weatherization readiness. The Department of Energy (DOE) is the primary funding source and they set the rules and regulations for the program. Additionally, DOE is the source of funding that provides for vehicles, equipment, and a training and technical assistance budget.

To receive funding from DOE, a State Plan must be submitted no later than May 1, 2024. Funding for the 2024/2025 State Plan totals \$4,570,767.61. With the DOE funding, we are projecting that ICAST will weatherize approximately 36 multifamily statewide units, Central New Mexico Housing will weatherize approximately 98 single family units, and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 40 single family units, and Red Feather Development will weatherize a total of 7 single family units, for a statewide total of 181 units. ICAST will begin sustainability projects with the SERC grant on approximately 200 units.

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U.S. Department of Energy Weatherization Assistance Program (WAP) WEATHERIZATION ANNUAL FILE WORKSHEET Grant Number: EE0009918, State: NM, Program Year: 2024 Recipient: State of New Mexico-NMMFA

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Central NM Housing Corporation (Albuquerque)	\$1,096,941.00 98
ICAST (International Center for Appropriate and Sustainable Technology (Lakewood)	\$431,655.00
Red Feather Development Group (Flagstaff)	\$127,078.00 7
Southwest Regional Housing Community Development Corporation (Deming)	\$555,666.00 40
Total:	\$2,211,340.00 181

SERC Subgrantees

Subgrantee (City)	Planned Funds/Units
ICAST (International Conter for Appropriate and Sustainable Technology (Lakewood)	\$1,721,017.00
ICAST (International Center for Appropriate and Sustainable Technology (Lakewood)	200
Total:	\$1,721,017.00
	200
IV.2 WAP Production Schedule	

IV.2 WAP Production Schedule

Wea	atherization Plans Units						
Tot	Fotal Units (excluding reweatherized)						
Re	weatherized Units	0					
Pla	nned SERC Units *	200					
* P	lanned SERC units is the calculated total units for all SERC Subgrantees.						
	erage Unit Costs, Units subject to DOE Project Rules VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)						
Α	Total Vehicles & Equipment (\$5,000 or more) Budget	\$291,000.00					
В	B Total Units Weatherized						
С	C Total Units Reweatherized						
D	D Total Dwelling Units to be Weatherized and Reweatherized (B + C)						
Е	E Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)						
1	AVERAGE COST PER DWELLING UNIT (DOE RULES)						
F	Total Funds for Program Operations	\$904,391.00					
G	G Total Dwelling Units to be Weatherized and Reweatherized (from line D)						
Η	H Average Program Operations Costs per Unit (F divided by G)						
Ι	I Average Vehicles & Equipment Acquisition Cost per Unit (from line E) \$1,						
J	Total Average Cost per Dwelling (H plus I) \$6,604						

IV.3 Energy Savings

	☑ WAP algorithm □ Other (describe below)	
Vielnoo used to calculate savings:	$ \mathbf{v} $ w AP algorithm $ \mathbf{v} $ Uther (describe below)	

U.S. Department of Energy

Weatherization Assistance Program (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

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	Units	Savings Calculator (MBtus)	Energy Savings						
This Year Estimate	181	29.3	5303						
Prior Year Estimate	178	29.3	5215						
Prior Year Actual	93	29.3	2725						
1ethod used to calculate savings description:									
New Mexico uses the DOE WAP algorithm to estimate energy savings. For program year 2023-2024 we estimate 5,304 MBTUs will be saved in 181 homes.									
With SERC funds, NM estimates an additional 3,412 MBTU with 200 units.									
SERC									
MFA and ICAST will utilize TREAT (Targeted Residential Energy Analysis Tools) software to model the energy savings for the the portion of projects that are leveraged with DOE formula grant . TREAT is a U.S. Dept. of Energy-approved for multifamily and an approved tool for multifamily in the New Mexico State WAP Plan. This software enables MFA and ICAST to compare the energy usage of existing equipment to the efficient equipment while normalizing for weather and actual utility usage data. Efficiency data for the upgrades are gathered from sources including manufacturer data compiled by the Air Conditioning, Heating, and Refrigeration Institute (AHRI), nameplates (e.g., for lighting and water measures), and Energy Guides (for appliances)									
Other modeling tools will be utilized for measures whose savings cannot be modeled by TREAT. For solar and storage, NM will utilize Aurora Solar, and Energy Toolbase. Aurora Solar can leverage utility data and other project details (e.g., building height as well as sunlight and shading) to simulate the size of the solar array, the total annual production and monthly production, and the energy usage offset. Energy Toolbase models charging and discharging of batteries on a regular basis (daily), to calculate energy savings.									

IV.4 DOE-Funded Leveraging Activities

Leveraging Structure

DOE's annual funding helps only a portion of New Mexico's low-income homes in need of weatherization. MFA recognizes that increasing the number of weatherized homes requires additional funding and pursues other funding sources accordingly. Leveraging funds from other local partners has become crucial to maintaining the service level in New Mexico. We use these funds to defray costs from DOE by utilizing multiple funding sources in each home when applicable which frees up funding from DOE so that more homes can be weatherized across the state.

For PY 2024-2025, MFA is requesting leveraging funding in the amount of \$9,000. The NM Energy\$mart Program Managers spend time on leveraging funding sources ensuring that MFA complies with all contractual requirements, reporting and monitoring. Our leveraging funding sources are approximately \$9,700,000. The program's efforts for leveraging funding sources continue to be fruitful and have created a strong weatherization program for New Mexico. Our current subrecipients are structured in a way that they can increase staff levels by using available T and TA funding without jeopardizing their programs. We work closely with our agencies to ensure that not only is our leverage funding expended but that the additional weatherization services provided are done in the most efficient manner possible.

When leveraged funds are combined with DOE funds in any given house, all the rules of the program must be followed. All energy saving measures must rank with the approved energy audit, incidental repairs must be within the scope and cost of the program, and all required health and safety measures must be installed.

<u>LIHEAP</u>

For the 2023/2024 program year MFA received \$2.5M from the New Mexico Income Support Division, LIHEAP. For this year, the amount that will be received from LIHEAP will be the same amount of \$2.5M. The Model Plan that has been written for LIHEAP states that DOE rules will be followed with some exceptions. MFA and the subrecipients work with these exceptions to provide the highest benefit possible to each household. NM allows LIHEAP and DOE funds to fund the same unit, and are in discussions about funding the same energy efficiency measure. If this is allowed, it will be closely watched to prevent double payment.

Utility Funding

The New Mexico legislature passed the Efficient Use of Energy Act (the Act) in 2005, which required public utility companies to place a tariff on their customers' utility bills. Both the electric and gas utility companies must redistribute the funds to the customers in the form of energy efficiency programs. MFA's receipt of these funds continues to be contingent upon award of DOE funds.

PNM

In January of 2024, MFA signed a renewal contract with the Public Service Company of New Mexico in the amount of \$600,000. Reimbursements are provided to the subrecipients based on actual kWh savings determined by a calibrated energy audit and deemed savings.

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Weatherization Assistance Program (WAP)

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<u>NM Gas</u>

The New Mexico Gas Company (NMGC) funding has increased the amount to <mark>\$1,600,000</mark>. This utility funding will

not only be used to achieve therm saving measures in homes being weatherized, but has been used for whole house weatherization for all measures with the exception of electric based measures. NM hopes to continue this method for PY 2024.

El Paso Electric

On February 4, 2024, MFA has entered into a contract with El Paso Electric in the amount of \$543,805. These funds will be used to pay for any measure that yields a kWh savings and are reimbursed based on a lifetime savings basis. This reimbursement is similar to the pay structure that is used by NM Gas and PNM.

State Funding

Staff will continue to pursue State agencies and the State legislature for additional funding, while remaining with the proposals submitted by other public utility companies to the PRC in order to receive more funding.

Severance Tax Bonds(STB)

NM Energy\$mart received \$500,000 in STB funds from the 2023 legislature for weatherization and will continue using a portion of that funding to increase the amount of leverage and for agencies to provide the items each home needs. The Energy\$mart program is expecting to use \$5M of this funding for PY 2024 as leverage with other grants, to weatherize more homes, install solar, and complete more measures per home.

<u>CSFLR</u>F

MFA received \$15M of Coronavirus State and Local Fiscal Recovery Funds (CSLRF) through the State of NM, and has started using \$3.75M of those funds for emergency home repair needs. The balance of these funds is estimated to be \$2M. All homes that receive this service will also receive full weatherization between all funding sources. Only some homes using this funding will be leveraged with DOE funds.

Disabled Veterans Rehabilitation

For PY 2023-2024, MFA used state and general funds in the amount of \$259,655 to rehabilitate and weatherize homes for disabled veterans. The weatherization team hopes to continue to receive this funding for PY 2024-2025.

Otero Electric/Tri-State

MFA is currently negotiating with the electric utility to make \$1.6M available to weatherize and perform propane to electric fuel switches for over 125 homes within the Mescalero Apache reservation.

IV.5 Policy Advisory Council Members

Check if an existing state council or commision serves in this category and add name below

	Type of organization: Non-profit (not a financial institution)						
Cure di Harrand	Contact Name:						
Cyndi Hazzard	Phone:	5053454949					
	Email:	chazzard@centralnmhousing.org					
	Type of organization:	Non-profit (not a financial institution)					
Ferdinand Garcia	Contact Name:						
rerumand Garcia	Phone:	(575)374-6207					
	Email:	fgarcia.gs@plateautel.net					
	Type of organization:	Indian Tribe					
Isaac Perez	Contact Name:						
Isaac Felez	Phone:	(505)771-9291					
	Email:	iperez@sfpha.org					
	Type of organization:	For-profit or Corporate (not a financial institution or utility)					
Jack MacGillivray, CPM	Contact Name:						
	Phone:	(505)681-7778					
	Email:	jmacg@monarchnm.com					
	Type of organization:	Utility					

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Weatherization Assistance Program (WAP)

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Recipient: State of New Mexico-NMMFA

Taina Anadara	Contact Name:	
Jaime Apodaca	Phone:	5052414420
	Email:	jaime.apodaca@pnm.com
	Type of organization:	Utility
Latoya Ferguson	Contact Name:	
Latoya Ferguson	Phone:	5052414420
	Email:	latoya.ferguson@pnmresources.com
		Unit of State Government
Marilyn Newton-Wright	Contact Name:	Marilyn Newton-Wright
Warnyn Newton- Wilght	Phone:	5058277266
	Email:	Marilyn.Wright@state.nm.us
		Unit of State Government
Nadine Flores	Contact Name:	
Ivadine i fores	Phone:	5054707885
	Email:	Nadine.Flores@gcd.nm.gov
		For-profit or Corporate (not a financial institution or utility)
Page Olice	Contact Name:	
	Phone:	5059239607
	Email:	pollice@yeshousing.org
		Unit of Local Government
Priscilla Lucero	Contact Name:	
	Phone:	(575)388-1509
	Email:	priscillalucero@gilanet.com
	Type of organization:	Utility
Steve Casey	Contact Name:	
	Phone:	5056973568
	Email:	SLCASEY@TECOENERGY.COM
		Non-profit (not a financial institution)
Veronika Molina	Contact Name:	
	Phone:	(575)546-4181
	Email:	veronika@swnm.org

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
03/27/2024	Draft of the State Plan has been posted on MFA's website on March 25, 2024. The notice was run with the following publications: February 20, 2024 -Rio Rancho Observer, Lovington Daily Leader, Las Vegas Optic, Santa Fe New Mexican, Silver City Daily Press and Independent, Gallup Independent, Albuquerque Journal, Carlsbad Current Argus, Eastern New Mexico News, Farmington Daily Times, Hobbs News-Sun, Las Cruces Sun News, Roswell Daily Record, The Daily Times, Union County Leader, Alamogordo Daily, Valencia County News, Clovis News Journal, Deming Headlight, and Clayton Union County Leader.

IV.7 Miscellaneous

Business Recipient Business Officer	
Donna Maestas-DeVries dmaestas-devries@housingnm.org 344 4th Street SW Albuquerque, NM 87102 (505) 767-2225	
Recipient Principal Investigator	
Troy Cucchiara tcucchiara@housingnm.org_	
344 4th Street SW Albuquerque, NM 87102 (505) 767-2256	

U.S. Department of Energy

Weatherization Assistance Program (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

Grant Number: EE0009918, State: NM, Program Year: 2024

Recipient: State of New Mexico-NMMFA

Composition of WAP PAC

Nadine Flores- Disabled (Employed by the State of NM) Isaac Perez - Native American Representation (Employed and Member of the San Felipe Pueblo) Jack MacGillvary - Multi-Family Property Management Company for low income properties

Page Olice, Ferdinand Garcia, Priscilla Lucero, Veronika Molina and Cyndi Hazzard are all employed by Housing Agencies that provide services directed to low income families which include children, elderly and disabled members.

Steve Casey, Jaime Apodaca and Marilyn Wright-Newton are all representative of our leverage funders. MFA works closely with these entities to ensure present and future funding in order to provide services through our subrecipients that are directed to low income families which include children, elderly and disabled members.

<u>Solar</u>

MFA is requesting approval to include solar PV in the list of measures for qualifying households.

MFA understands the solar PV projects might require a NEPA review, especially if they are ground mounted and disturb the ground. The energy audit report will include solar as a measure and will demonstrate the SIR for the solar PV install, for it to be integrated into the approved package of

The energy audit report will include solar as a measure and will demonstrate the SIR for the solar PV install, for it to be integrated into the approved package of measures for the project. MFA

believes that with the current installed costs of solar PV, it is a financially viable solution that can help our lowincome

families reduce their energy burden through WAP.

Due to our ability to leverage numerous sources, there is no anticipation that the addition of solar PV will have an impact on our ACPU or budgeted funds.

Weatherization Readiness Fund (WRF)

By the end of PY 2023-2024, NM will have completed 2 multi-family projects and 45 single family units for WRF, well above the intended goal of 14 units per year. All of these units would have resulted in deferral if it were not for this funding category. For PY 2024, NM intends on continuing with the same proven method as previous years to complete a minimum of an additional 15 units.

Our simple rule of thumb is that WRF is only to be used to prevent deferral of units. This is when the work needed before a home can receive services is beyond the scope of weatherization and falls in one or more of four categories:

- Health and Safety measures that exceed the threshold;
- Health and Safety measures that are not eligible costs under current guidance;
- Incidental Repairs that if included in the SIR calculations, would cause a unit to not be cost effective;
- Repairs not eligible under current guidance that are needed before weatherization can take place.

Distribution of Funds

Funds will be distributed to each agency using the same agency ratios as program funding. The agencies will prioritize deferred households using our ranking system described in Section V.3 of the Master File for each county. Homes that have been **previously deferred and currently meet eligibility requirements**, will receive WRF services before other homes in the same county. If one agency is unable to use the funds in a timely manner, the funds will be transferred to the other agencies that can use the funding for the intended purpose. Under no circumstances will WRF be used for other categories.

Restrictions

The following restrictions will apply to the use of WRF funding:

- All units must receive approval from MFA prior to commencement of work through our online system;
- Must only be used for homes that will receive full weatherization with the 2022-2025 DOE grant cycle;
- All other measures that are eligible under DOE rules are NOT eligible under WRF, unless those measures include incidental repairs that put the home below the cumulative SIR of 1. The funding is only to be used to prevent deferrals.

Monitoring

MFA will monitor the use of this funding in accordance with the regular monitoring routine. This includes desk monitoring before an invoice is paid, and QCI when a unit is selected for inspection. Agencies will include the weatherization readiness scope of work in their final QCI inspection.

Maximum ACPU

Subrecipients must keep the ACPU for this category at or below \$19,000. This is kept separate from all other categorical ACPUs. There is no cap or maximum amount if the average is kept at or below \$19,000.

U.S. Department of Energy

Weatherization Assistance Program (WAP) WEATHERIZATION ANNUAL FILE WORKSHEET Grant Number: EE0009918, State: NM, Program Year: 2024

Recipient: State of New Mexico-NMMFA

Tracking and Reporting

The following items are currently tracked and will continue to be tracked:

- Year built;
- Housing type;
- Location;
- Client Ranking;
- Specific nature of repairs;
 - o Roof repair and replacement;
 - o Structure repair (wall, floor, ceiling, foundation);
 - o Plumbing;
 - o Electrical;
 - o Multiple repairs;
- Per unit average;
- Federal funding source used for weatherization (DOE or BIL)
- Other funds used for leverage.

Process

- Homes that have been previously deferred that are still eligible will be the first to receive services. For all other WRF needs, the agencies must follow the same priority and ranking used for weatherization.
- When it is identified by the agency that a home is in need of WRF, the agency must send MFA's program managers a scope of work, photos, and estimated costs of the unit uploaded through our online system.
- If request is reasonable, MFA issues an approval and the agency schedules the work.
- Agencies are expected to follow procurement requirements consistent with federal (2 CFR 200), and their own policies.
- All state and local codes must be followed with required permits pulled, and final code enforcement inspections must be scheduled.
- Weatherization work is expected to occur as close to completion of WRF work as possible.
- Final QCI for the weatherization work includes final inspection of the WFR work. If deficiencies are present, a punch list for the contractor is generated and the contracting party does not receive final payment until the work is satisfactory.
 - o Both the client and final inspector must sign off on the scope of work for both WRF and weatherization (two signatures are required).
- Completed units are reported to MFA during invoicing. WRF is treated as a separate billing category in the agency's invoice.
- Units that received WRF are tracked separate with their own ACPU.
- MFA will include a sample of units that received WRF as part of the minimum 5% QCI.
- Units that need work that are beyond what WRF, other funding sources, and weatherization can provide will be deferred following the regular deferral policy (Section V.1.2 Master File) and tracked.

U.S. Department of Energy

Weatherization Assistance Program (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

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Recipient: State of New Mexico-NMMFA

• The use of other funding sources is encouraged as much as possible to prevent the above situations.

Upon monthly invoicing, MFA will run a deferral report and question agencies about deferrals that are due to scope of work, and why WRF was not used.

SERC

WAP Production Schedule:

Project Milestones and Responsible Party						
ICAST	Quarter 1					
ICAST	Quarter 2					
ICAST	Quarter 3					
ICAST	Quarter 4					
ICAST	Quarter 5					
ICAST	Quarter 6					
ICAST	Quarter 7					
ICAST	Quarter 8					
ICAST	Quarter 9					
ICAST	Quarter 10					
ICAST	Quarter 11					
ICAST	Quarter 12					
	ICAST ICAST ICAST ICAST ICAST ICAST ICAST ICAST ICAST					

No re-weatherized units are planned for this SERC project

Project Overview and Goals

MFA has partnered with International Center for Appropriate and Sustainable Technology (ICAST), its current statewide multifamily WAP service provider to conduct full retrofits on at least 200 low-income units in a range of communities across New Mexico, leveraging innovative approaches funded through SERC with traditional energy efficiency and WAP funds. MFA proposes to implement grid-interactive efficient buildings (GEBs) in multifamily affordable housing properties to increase housing affordability and enhance low-income residents' overall quality of life and health, while improving grid resilience and performance in urban, suburban, rural, and tribal lands. SERC funds will be expended in disadvantaged and environmental justice communities including Opportunity Zones.

This project will design, install, and evaluate the following technologies and solutions:

ICAST will conduct full retrofits on at least 200 low-income units in a range of communities across New Mexico, leveraging innovative approaches funded through SERC with traditional energy efficiency and WAP funds. Grid-interactive Efficient Buildings (GEBs) will be implemented in multifamily affordable housing properties to increase housing affordability and enhance low-income residents' overall quality of life and health, while improving grid resilience and performance. MFA serves urban, suburban, rural, and tribal lands. SERC funds will be expended in disadvantaged and environmental justice communities including Opportunity Zones.

This project will design, install, and evaluate the following technologies and solutions:

- 1. Roof Mounted onsite renewable energy resources such as solar PV;
- 2. Battery energy storage systems;
- 3. Smart technology controls such as Smart Thermostats, Water Heater Controllers, Lighting controls, etc.;
- 4. Building energy management systems (hardware and software); and
- 5. Interior Infrastructure upgrades for Electrification (no energy savings).

The primary goal of our proposed project is to develop a scalable GEB strategy for existing, aging, multifamily affordable housing properties that reduces the energyburden of low-income households and provides residents with safer, healthier, and more comfortable homes. The project will provide measurable benefits to its key stakeholders: low-income tenants, multifamily affordable housing property owners, and the local utilities. It is expected to improve the energy performance at pilot sites by at least 30% over baseline by utilizing SERC, DOE formula allocation, utility, and other leveraged funds energy efficiency funds to complete full building retrofits. Using solutions that are rarely available to low-income households will allow this team to support energy equity and improve environmental justice for at least 200 lowincome families. GEB solutions at multiple multifamily affordable housing properties will be implemented with the following goals:

- 1. Demonstrate a replicable and scalable approach to transform aging properties into GEBs;
- 2. Demonstrate how WAP and other existing funding sources can be utilized to serve disadvantaged communities in alignment with the Justice40 Initiative;
- 3. Provide health and safety benefits to low-income tenants including better indoor air quality and thermal comfort;
- 4. Leverage SERC funding with other resources from federal, state, and private sources.

U.S. Department of Energy

Weatherization Assistance Program (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

Grant Number: EE0009918, State: NM, Program Year: 2024

Recipient: State of New Mexico-NMMFA

Program Outcomes include:

- 1. Distributed Energy Resource (DER) solutions are installed in at least 200 low-income households;
- 2. Significantly reduce low-income tenants' energy burden with combined lifetime utility cost savings of at least \$2,500,000;
- 3. Create GEBs in 2 buildings to shift loads and reduce peak demands;
- 4. Achieve lifetime carbon emission reductions of ~15,000 tons.

Program Timeline and Milestones:

	Quarters								
Tasks to be Performed	1	2	3	4	5	6	7	8	9
Task 1.0: Project Management			<u> </u>				-		
Subtask 1.1: Coordinate Project Mgmt. Plan & Provide Mgmt. Oversight and Reporting									
Subtask 1.2: Coordinate Roles and Responsibilities with Entire									
Project Team based on PMP									
Task 2.0: GEB Pilot Project Identification									
Subtask 2.1 Develop Program Education and Outreach Materials									
and Outreach Plan									
Subtask 2.2: Research and Identify MFAH properties in Justice40									
Disadvantaged Communities									
Subtask 2.3: Outreach to MFAH owners to determine potential pilot demonstration sites									/
Subtask 2.4: Educate MFAH owners on DER technologies and			1						
Subtask 2.4: Educate MFAH owners on DER technologies and benefits of GEBs									
Task 3.0: GEB Pilot Project Development							7		
Subtask 3.1 Conduct site assessment and energy audit									
Subtask 3.2: Coordinate with MFAH Owner to develop DER									
scope of work to develop GEBs for their properties Subtask 3.3: Identify additional funding sources to leverage SERC									
Subtask 3.3: Identify additional funding sources to leverage SERC grant and WAP funds									
Subtask 3.4: Identify and Build Diverse Subcontractor Network									
capable of installing GEB technologies in MFAH properties									
Task 4.0 GEB Pilot Project Execution									
Subtask 4.1: Create project implementation schedule with									
property and contractors									
Subtask 4.2: Install GEB solutions with local contractors									
Subtask 4.3: Perform inspections and closeout projects,									
including project documentation and reporting to DOE									
Task 5.0 Development of Resource Guide			T	1			1		
Subtask 5.1: Collect feedback from MFAH Owners, contractors, Subject Matter Experts, and other stakeholders									
Subject Matter Experts, and other stakeholders Subtask 5.2: Compile case studies, best practices, program design									
plans, and GEB Pilot Roadmap into a Resource Guide									
Task 6.0 Dissemination of Project Results							1		
Subtask 6.1: Create dissemination plan			1						
Subtask 6.2: Disseminate Resource Guide to National									
Stakeholder Groups									
Project Milestones									
PMP Finalized									
Education and Outreach Materials Finalized									
Outreach Plan Finalized									
First Pilot Project Identified									
Diverse Subcontractor Network Developed							L		
At least 50 pilot units completed									
At least 100 pilot units completed									
At least 150 pilot units completed									
All Pilot Sites Work Completed									
· · · · · · · · · · · · · · · · · · ·									
Dissemination Plan Finalized				I					
Resource Guide Finalized			1						
Resource Guide Disseminated			1	1					
		-	•						

Changes from initial submitted SERC Project Plan:

- Removal of EV-Charger installations from planned measures;
- Addition of electrification infrastructure upgrades to planned measures;
- Clarification that measures will be interior or on building and not breaking ground.

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Anticipated Measures

Measures will be installed in at least **200 low-income households** in **2multifamily buildings**. Projects will vary greatly based on building type, number of units and existing technologies at the selected project sites. A rough estimate of measures is included below:

DER Measure	# of Units benefiting from measure
Standard WAP solutions such as building envelope, LED lighting, appliance, and health and safety improvements	200
Beneficial electrification via heat pump HVAC and heat pump water heater installs	120
Roof Mounted onsite renewable energy resources such as solar PV	150
Battery energy storage systems	80
Smart technology controls such as Smart Thermostats, Water Heater Controllers, Lighting controls, etc.	200
Building energy management systems (hardware and software)	200
Interior Infrastructure upgrades for Electrification	50

Changes from initial submitted SERC Project Plan:

- Removal of EV-Charger installations from planned measures;
- Addition of electrification infrastructure upgrades to planned measures.

Diversity, Equity, and Inclusion (DEI)

All beneficiaries of the proposed project will be low-income individuals living in multifamily affordable housing properties in disadvantaged communities that meet Justice40 Initiative criteria.

Multifamily affordable housing residents are often people of color, individuals with disabilities, and/or fixed income seniors, who typically pay an excessive amount of their income for housing, utility, and health care costs. This is especially true in New Mexico, a minority majority state where communities of color have historically been lower income and more heavily impacted by pollution and substandard housing. This project will provide eligible individuals and families with access to technologies typically limited to wealthier households or large commercial organizations—to provide them an opportunity for social and energy equity. The demographics of families served are expected to mirror MFA's typical clients, whose demographics in turn mirror those of the state overall and are as follows:

Clients (last 30 months)	Number and Proportion	
Native American	74 (4%)	
Hispanic	1,079 (65%)	
Black	50 (3%)	
Disabled	523 (32%)	
Elderly	907 (55%)	
Households with children	322 (20%)	
High energy burden	375 (23%)	
TOTAL	3,327	

The proposed project will help preserve and expand housing affordability, which is essential for building environmental justice and equity. Greening affordable housing not only benefits the environment by conserving energy, water, and other natural resources, it also helps reduce energy burdens and health inequities based on race and socioeconomic status. Healthy, affordable housing promotes a safe, healthy, stable, and sustainable environment in both physical and social surroundings.

ICAST will establish the following specific, measurable, achievable, relevant, and timely (SMART) milestones to ensure the proposed project is diverse, equitable, and inclusive (DEI):

- Milestone 1: A Community Metrics Report Template will be developed to ensure community demographics are accurately captured. The report template will be utilized on pilot sites to track metrics such as MFAH residents' income, race, age, family status, number of members within the household, and expected energy and cost savings;
- Milestone 2: 100% of the pilot projects will be within underserved communities as defined by Justice40;
- Milestone 3: Document ICAST's community outreach process and practices in ICAST's Resource Guide along with the necessary others to conduct community
 outreach that can help meet DEI goals.

MFA will work to ensure ICAST's DEI goals are implemented as part of the project during the monitoring described below.

Grantee Monitoring

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MFA will use its NM Energy\$mart Online System (System) to capture monthly unit production and energy savings data which will show the projected energy savings by individual measure, with the following measures being tracked. This is described in section of the V.8 Master File.

ICAST, will be responsible for recruiting and working directly with multifamily affordable housing pilot sites as well as installing recommended DERs and integrating GEB strategies. It will confer with MFA to ensure Distributed Energy Resource (DER) solutions and sites converted to GEB meet DOE and MFA eligibility criteria. Additionally, ICAST's integrated software system will provide MFA immediate access to status and site data. ICAST team members coordinate and manage work assignments through cloud-based software tools such as Microsoft, Sage Intacct (enterprise resource planning system), Smartsheet (project management software), Salesforce (customer relationship management tool) and ICAST's internal database: Impact Assessment Tool. ICAST uses Smartsheet to integrate all of the software solutions. These software tools offer a streamlined process to coordinate and communicate across the internal and program stakeholders. During the retrofit process, ICAST staff will work with contractors to inspect on-site progress, collect required project data, and report to MFA, along with documentation of all retrofit actions. Upon receipt of inspection data, ICAST engineers will perform a desk review, evaluating and analyzing the inspection report to ensure it meets requirements for completeness, accuracy, and program qualifications. These desk reviews are made readily available to MFA upon request.

All issues are resolved between ICAST, property owner/resident, and the contractor before final inspection data is submitted to MFA for processing. Through these systems MFA will easily and effectively be able to monitor materials not typically covered by existing processes. Each project utilizing SERC funding will be reviewed through a modified inspection process which includes all SERC eligible upgrades and materials and project information. This will ensure quality assurance on the pilot projects.

Inspections

All SERC activities will receive inspections that will cover scope of work, functionality, client satisfaction, and installed items compared to proposed items. Contractor invoices will be reviewed and compared to the completed measures. This may be completed in conjunction with the 5% required QCI, if timing and scheduling allows.

<u>Fiscal</u>

ICAST's fiscal operations that utilize SERC will be monitored with the regular scheduled monitoring of their program. All applicable areas such as expense sampling, cost allocation, segregation of duties, and internal controls will be reviewed for activities that occur during the period of performance. The Single Audit that ICAST receives will be monitored for proper schedule of expenses.

Production

ICAST and MFA will be in constant communication about the progress of these projects and compared to the proposed goals of production. Any changes from these proposed goals will be noted on the monitoring report.

SERC T&TA

ICAST and MFA will leverage their existing T&TA partnership with Santa Fe Community College to provide training required for the SERC Projects. The project team will ensure staff receives training developed through the nationally recognized Energy Smart Academy and ensure minimum existing credentials for SERC projects.

The project team's Green Initiatives Managers are responsible for the technical aspects of the program include training and technical assistance as well as health and safety issues and program compliance with all DOE technical requirements.

Only existing WAP T&TA funding will be utilized for these credentials; no SERC funding will be utilized.

SERC Analysis and Effectiveness

MFA has robust financial and quality assurance measures in place to support program staff and partners, as well as to ensure compliance with state and federal rules and regulations. Quality control review of units and files consists of reviewing details of the activities as a desk review prior to project visits.

For this SERC project annual analysis of effectiveness of the projects will be performed starting in budget performance period. The initial pilots are not anticipated to be complete until month 18. Analysis will be performed at month 24 and 36 of project performance period. At this point, actual energy usage will be compared with the prior, and modeled usage using available utility bills from before and after the retrofits.

Income Eligibility

This SERC project does not propose undertaking a different eligibility procedure than that of the existing approved state plan.

Health and Safety:

This SERC project will not make any changes to the existing health and safety plan.

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This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Definition of income used to determine eligibility:

A unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12 month period preceding the determination of eligibility for weatherization assistance.

The 2022 US Census American Community Survey year estimates identified 178,437 family households in the state with incomes at or below 200% of the poverty level, the WAP eligibility limit. These households represent approximately 19% of the state's population of households.

Additionally, the 2022 US Census American Community Survey provides other significant findings about persons with incomes at or below the poverty level:

- 225,249 households contain one or more people under 18 years of age;
- Approximately 48,975 households contain children that were under six years of age.

From 2022 US Census American Community Survey regardless of poverty status:

- The number of units in which the elderly reside was estimated at 285,991;
- The number of units in which people with disabilities reside was estimated at 348,597.

New Mexico has three designated Rural Partner Networks: The Southwest NM Council of Governors region, Dona Ana region, and North Central Economic Development District. These three regions oversee the colonias housing issues and are exploring ways to designate funding to the colonias regions due to inadequate housing.

To be eligible for New Mexico Weatherization Assistance Program services, clients must meet the income criteria outlined in 10 CFR 440.22 or meet a minimum of one of the following criteria as outlined in WPN 24-3:

- Have a gross household income (total annual cash receipts) at or below 200% of the federal poverty level as established by the Director of the Office of Management and Budget (OMB);
- Receive cash assistance payments under Title IV or Title XVI of the Social Security Act or in accordance with applicable State or local law, at any time during the past one year preceding the determination of eligibility. Acceptable programs include:
 - a. Temporary Aid to Needy Families (TANF);
 - b. Supplemental Security Income (SSI);
 - c. Social Security Disability Insurance (SSDI);
 - d. Aid to Needy Disabled (AND);
 - e. Old Age Pension (OAP);
 - f. Supplemental Nutrition Assistance Program (SNAP);
 - g. HUD means tested programs at 80% AMI.

Describe what household eligibility basis will be used in the Program

Eligibility Basis

Before a unit is qualified for weatherization, the client must be approved. This approval process begins with receipt of an application. A NM Energy\$mart intake staff member reviews applications to ensure that clients qualify for the program. A client will not be qualified unless the following items are provided for the file. All eligibility documents must be maintained by the agency in client files and may be electronic or hard copies. Client files for single family must contain at minimum:

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- A completed application;
- Income verification criteria listed in WPN 24-3
 - Documented verification from income sources;
 - Current income tax return;
- Proof of ownership and/or landlord sign off
- A current utility bill for gas & electric service.
- Recertification must be done when 12 months of time lapses. Agencies will contact clients with the highest priority ranking in each county for recertification prior to scheduling assessments for those counties.

Multifamily Eligibility

Multifamily income eligibility can be verified by using four different methods:

- Privately owned buildings receiving tenant-based assistance. Subrecipient must verify residents that hold Section 8 Housing Choice Vouchers through the
 property owners or residents themselves. Percentage of eligibility is determined by the ratio of these vouchers to total units. Section 8 vouchers do NOT certify
 the entire household. The property owners must verify that either all adults in the unit have these vouchers, or the household income. This process will show
 more than 67% of the tenants are Section 8 holders and the Property Owner certifies to that fact;
- 2. PHA operated buildings on the following lists to be income eligible: ARCHIVED Eligible HUD Multifamily Buildings Spreadsheet | Department of Energy
- 3. PHA operated buildings receiving assistance and confirmed by MFA to be eligible;
- 4. Privately owned buildings receiving project-based assistance and confirmed by MFA;
- 5. Tennant verification by obtaining necessary documents from each individual tenant.

WPN 17-4 procedures must be followed to certify buildings. The property owner or authorized agent of the property must sign a Self-Certification form attesting that:

The property owner or authorized agent maintains certified income records for households residing at the property.

- 1. The property owner or authorized agent certifies that all the information provided with the certification request is true and accurate;
- 2. The property owner or authorized agent has determined that at least 66 percent of the units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have certified incomes that are at or below 200 percent of the current federal poverty level based on household size;
- 3. The property owner or authorized agent has reviewed its current certified income records.

All documentation of multi-family eligibility must be provided to MFA before project approval and kept in the project folder to be made available during monitoring, invoice payment, or inspections. This documentation must at minimum include:

- Property owner self certification letter for income, and eligible alien status.
- Back up documentation for income certification.
- Landlord agreement.
- Unsigned contract between property owner and agency.
- Estimated project cost breakdown with all anticipated funding sources listed.

Single Family Eligibility

Proof of ownership may be in the form of:

- Evidence of mortgage payments;
- Property deeds or proof of tax payment.

For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Intake staff also reviews the documentation for demographic information such as:

- Proper identification of head of household;
- Other household members are identified as applicable for disability or child status;
- Proof of disability (Medical documentation is requested to ascertain disability status).

Documentation proving eligibility must be verified by the agency prior to weatherization, kept in the client file, and made available to MFA upon request. Eligibility documentation is updated at least annually.

Notification:

Applicants are immediately notified of their eligibility status. Ineligible applicants are notified in writing, stating the reason for ineligibility.

Reweatherization

U.S. Department of Energy

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Units may be reweatherized if fifteen years have passed from the month of the final inspection. Units with higher ranking points that have never been weatherized in the same county, will have a higher preference over units that have been previously weatherized.

For multifamily properties, the service provider contacts MFA to check within their online invoicing system to determine if a property has been weatherized within the last 15 years. The name and address of the property is run through the system for previous dates of weatherization. The property is also viewed on Google Maps to verify the address is correct, and nearby streets are also viewed within the system. If it is determined that no weatherization using federal dollars has occurred with the property within the 15 year period, the service provider is given approval to proceed to the next step.

Client Appeals Policy

All subrecipients shall establish and maintain a policy allowing a client to appeal a denial of service in the agency's weatherization program manual. In addition, the agency **must post the policy on their website**, so clients have access to submit a formal appeal for denial of services. The policy must clearly state how the client can initiate an appeal, who will make the determination and the timeline for review.

Steps that should be part of subrecipient's policy include:

When the agency defers a unit or otherwise denies a client weatherization services, the agency must provide a formal letter to the client indicating the specific reason (s) for the denial.

If an appeal is received, the agency should have a minimum of a one tier review of the client's application by a staff member in the organization with a supervisory position. The person reviewing the appeal must be someone other than the person who made the initial decision to deny the client services. The reviewer must also be familiar with the regulations regarding eligibility.

The person reviewing the appeal should compare the provisions of the relevant regulation(s) to the application, speak to the agency staff involved in the initial denial, and speak to the client before making a decision.

If a judgement is made that the original determination was correct, a formal letter must be sent to the client outlining the reason for the appeal and once again articulate why services were denied. The letter should include the process that took place to confirm the denial.

If the person reviewing the appeal determines the appeal is granted, the client should be provided a letter stating such and detailing when their unit will be weatherized. The letter should include the process that took place to confirm the approval.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

MFA requires subrecipients to collect proof of a social security number/Identity for at least one adult living in the residence. If a social security number is not available for the remaining members of the household, a Non-Citizen Immigrant Status for all other members of the household is required. Immigrants are eligible under the current law referenced on the U.S. Department of Health and Human Services website. Questions regarding immigrant eligibility may be found within the following Health and Human Services guidance: https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-hhs-guidance-use-social-security-numbers-ssns-and-citizenship-status and https://www.acf.hhs.gov/hsp/immigrans-ssns-and-citizenship-status

Multifamily property owners must certify that the residents have provided proof of a social security number/Identity for at least one adult living in the residence from the clients in rental units. MF property owners may provide the required demographics as an alternative to supplying individual birthdates for an entire project, otherwise a birthdate must be provided. This certified document must be supplied within 5 business days after project approval and contract being signed between multifamily provider and property owner.

The subrecipient passes the information through MFA's on-line system which has a secure server where the information is encoded. All data is redacted after it has been put into the online system. The online system scrambles the data for protection of the client.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Procedures to determine that units weatherized have eligibility documentation

A unit is eligible for weatherization assistance if it is occupied by clients that meet the eligibility requirements in Section V.1.1. In addition, the client must have evidence of mortgage payment, property deed or proof of tax payment to be qualified. For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. These documents must be kept in the client file and verified upon desk monitoring, monitoring and Quality Control Inspections (QCI).

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Describe Reweatherization compliance

Re-weatherization

New Mexico does not encourage reweatherization of units however, if a unit or project has not been weatherized with DOE, LIHEAP, or other federal funds prior to 15 years of the current date, reweatherization will be allowed under the below conditions.

- A DOE approved energy audit must be run on the unit;
- All health and safety issues must be addressed;
- · When applicable leverage funding for any measure that qualifies will be allowed;
- The subrecipient must determine that the applicant is eligible;
- There are no other applicants with higher ranking/priority residing in the same county.

If federal funds have been used to improve the conditions of the structure, and the work included measures not specific to weatherization but the improvements save energy, that does not preclude the unit from receiving full weatherization services.

Households located in a disaster area would be considered a priority for weatherization as long as the households are eligible, meet one of the ranking priorities, and are free and clear of any insurance claim resulting from damage incurred from the disaster.

All units that have received weatherization using any funding source since 2004, have been tracked by MFA's online system. All units are assigned a unique client number. When an application is received by intake, it is first entered into the online system to determine if the unit has been previously weatherized and if so, the date. If the online system shows the unit has been previously weatherized, the unit is deferred until 15 years has passed from the date of final inspection.

For multifamily properties, the service provider contacts MFA to check within their online invoicing system to determine if a property has been weatherized within the last 15 years. The name and address of the property is run through the system for previous dates of weatherization. The property is also viewed on Google Maps to verify the address is correct, and nearby streets are also viewed within the system. If it is determined that no weatherization using federal dollars has occurred with the property within the 15 year period, the service provider is given approval to proceed to the next step.

Describe what structures are eligible for weatherization

Eligible Structures

Housing types qualifying for weatherization include site built, mobile homes, shelters, and multi-family buildings. Non-traditional dwelling units such as shelters or dwelling units sharing a wall with a business will be discussed with the DOE project officer prior to commencement of the project and full caution will be exercised to be sure the particular units are eligible. Weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicant are not eligible and will not be allowed.

Buildings that have a major deficiency in their structure or condition that makes weatherization impractical

or not cost effective, may be eligible for other funding to first mitigate these issues. Subrecipients must explore all funding options such as weatherization readiness before deferring a unit.

Health and safety issues requiring more than what is allowed by WPN 22-7, or our Health and Safety Plan, will be deferred only if other funding options are not viable. The current Health and Safety Plan lists conditions of deferral that include code violations, fuel leaks exceeding the threshold, incidental repairs that cause the cumulative SIR of the building to be less than one, roofing and other structural issues, most of which can be remedied by weatherization readiness funds.

If the area is known to have redevelopment plans then weatherization will be deferred until redevelopment is complete.

All site built and multifamily units 45 years old or older will need SHPO clearance prior to weatherization. The SHPO programmatic agreement is uploaded as an attachment.

Describe how Rental Units/Multifamily Buildings will be addressed

Rental Units

Subrecipients must ensure that single family rentals follow WPN 22-13 and the five points below:

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- 1. Benefits of weatherization services accrue primarily to the low-income tenants;
- 2. The tenants have a way to appeal if they feel that the rent has increased as a result of these services and the landlords provide a statement notifying tenants of this procedure;
- No undue or excessive enhancement shall occur to the unit;
 Work based off an energy audit is not considered undue enhancement.
- 4. Rent and permission of the building customers or authorized agents must be obtained before commencing work;
- 5. The customer or authorized agent must sign a statement that rent may not be increased for a minimum of one year unless increases are demonstrably related to matters other than weatherization work.

Single family rental units qualify for weatherization as long as the landlord agrees to the weatherization and signs a waiver stating that rents will not be raised on the units for a minimum of one year unless those increases are demonstrably related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a NEAT or MHEA audit must be run on the unit prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a single family rental unit include:

- An application must be completed by the client;
- Proof of income must be provided;
- Proof of a lease must be obtained;
- Current copies of the clients gas and electric bills must be obtained;
- Written permission must be obtained from the landlord/agent;
- Subrecipient must obtain certification from the landlord that the rent of the unit will remain the same for at least one year following performance of weatherization work;
- MFA will monitor compliance with this policy only to the extent of the 5% to 10% sample monitoring;
- MFA's monitoring will include rental projects weatherized through the Program.
- Certification must contain guidelines that describes what will happen if the rent does increase. This must include details about how the tenant can notify or file a complaint with MFA should the rent increase within 12 months.

Multifamily Rental Units

Multifamily(MF) Rental units that are defined as five units in a building or more, qualify for weatherization as long as the clients that are housed in the property qualify for weatherization. The MF agency may ask the customer/agent for a contribution of 20% of the weatherization materials. The customer/agent must sign a document agreeing to have weatherization services, that includes a waiver stating that they will not raise the rent on the units for a minimum of one year unless those increases are related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a TREAT audit or approved priority list, depending on the building structure must be run on the complex prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a multi-family rental unit include:

- Obtain written permission from the customer or authorized agent;
- Verify that no less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the units in the building are eligible units, or will become eligible units within 180 days;
- Ensure that the benefits of weatherization assistance in connection with such rental units including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
- By way of use of the energy audit, subrecipient must make certain that no undue or excessive enhancements are made to the units;
- Completed applications must be obtained from each of the clients in the rental units or
- Customer (property owner or manager) must fill out applications, project application templates and all forms to sign for tenants since they have the information on file:
- Current copies of gas and electric bills must be obtained from *some* of the rental units or supplied by the management to prove the utility is serving the property or provide documentation that shows this, such as Tenant Income Certifications (TIC);
- The multifamily audit process must be followed and include the detailed scope of work, photos, and regular meetings between MFA, subrecipient, and multifamily building management or customers.
- Subrecipients must follow WPN 22-12.
- Tenants will be provided with MFA's contact information to notify MFA if their rent increases within one year.
- No work paid for by DOE funds may be reimbursed that is not listed on the TREAT audit generated scope of work. All items must show an SIR on the audit. Items that do not show an SIR must be listed as an eligible incidental repair or H&S measure.
- Agencies will include a chart that is like the one listed on page 7 of WPN 22-12 that describes the benefits to the tenants prior to project approval.
- Agencies must collect the necessary demographics from the property owners for both reporting purposes and to be included in the online report with invoicing. Before project approval, agencies must collect the necessary demographics to determine priority and client vulnerability to ensure the project is a higher priority than other eligible projects in the area.

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Once the information above is in place an approval request, in the form of an approved energy audit, must be submitted to MFA in order to weatherize multifamily units larger than a 4-plex. A description of the process that determined the measures being installed must be provided with the audit.

Procedures for customer contributions are as follows:

- A 20% contribution commitment of the weatherization materials may be requested from the customer prior to commencement of the weatherization project. The customer contribution is based on the estimated costs from the energy audit;
- Customers have the option of buying down measures if it is determined by use a TREAT energy audits that the cost is not a cost effective measure;
- Customers are not responsible for any additional costs over the written estimate. If the actual (final) cost of the project is higher than the estimate, then the Program will pay the difference;
- For large projects estimated cost for an engineer's estimate of HVAC costs is added to the energy audit costs;
- A contract or Memorandum or Understanding (MOU) will be executed between the customer's representative and subrecipient prior to the commencement of work;
- The contract will detail the amount of the customer contribution;
- The contract will commit the customer to certify that he/she will maintain rent at the HUD designated affordable rent levels for a period of one year following performance of weatherization work;
- The subrecipient is responsible for obtaining the required landlord contribution. The amount of the contribution must be included in the project outline to MFA
 prior to project approval;
- Customer contributions received shall be applied to supplement the cost of the project and be reported on the statement of expenditures for the month in which they are received;
- MFA will monitor compliance with this policy as needed. This may include monitoring during unit inspections, technical monitoring, programmatic monitoring, desk monitoring, and upon initial project submittal.

Describe the deferral Process

Deferral Process

There are some situations in which an agency or contractor should not, or may choose not to, weatherize an otherwise eligible unit. MFA implements the deferral policy for all agencies administering the NM Energy\$mart Program. This policy allows weatherization staff to defer services when certain conditions or circumstances exist. Under no circumstances will partial weatherization be allowed to be reported as a completed unit all units must be inspected by a Quality Control Inspection (QCI) and determined to be complete. Deferral is allowed under certain conditions; however, an agency should define its intentions at the time a condition occurs.

Client Driven Deferral

Subrecipients must defer weatherization under the following conditions where failure or the inability by the client to take appropriate actions occur:

- A unit received weatherization with federal funds (DOE, LIHEAP) within the 15 year period prior to the date of application;
- A unit is vacant;
- A unit is for sale;
- A unit is scheduled for demolition;
- The client is uncooperative with the weatherization agency or its contracted agent, either in demanding that certain work be done, refusing higher priority work which is needed, being abusive to the work crew or contractor, or by being unreasonable in allowing access to the unit. Every attempt should be made to explain the program and the benefits of the work. If this fails, work should be suspended and MFA should be consulted. In such cases, detailed documentation is required;
- Discrepancies found between the client application and observed conditions at the time of weatherization that cannot be resolved;
- There are illegal activities occurring on the premises;
- One or more occupants in a unit have been diagnosed with a contagious and life threatening disease and the subrecipient has determined the staff is unable to perform services safely;
- When a person's health may be at risk and/or the work activities could constitute a health and safety hazard, the occupant at risk will be required to take appropriate action based on the severity of the risk;
- If at any time prior to the beginning of work (work officially begins when the audit is performed) the agency or contractor determines that the client is no longer eligible or staff believe that circumstances may have changed, the unit shall not be weatherized until the situation is resolved;
- · Loose dogs that can't be contained by the client;
- Unvented combustion appliances the client will not agree to replace.
- Any perceived danger to the agency or procured contractors for the unit/project.

When these situations occur, and work has already been performed on the unit, the agency will be unable to report it as a completed unit, but will be allowed to bill for expenses incurred.

Structure Driven Deferral

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NM strives to eliminate the number of structure driven deferrals by using Weatherization Readiness Funds (WRF) or other funding. The WRF Plan is located in the Misc. Section of the Annual File must be followed when using this funding category. The following conditions will trigger approval requests for the use of WRF or other funding prior to deferral:

- A unit proves to be dilapidated or structurally unsound and unsafe. Dilapidated units are classified as those which do not provide decent, safe, and sanitary shelter in their present state and have defects so serious and numerous that the repairs required to revive the structure to standard condition would not be economically feasible;
- A unit is deemed by the auditor to pose a threat to the health or safety of the crew or contractor;
- A mobile home is improperly installed (for example, without adequate supports);
- A unit is uninhabitable (for example, a burned-out apartment);
- A unit is affected by mold and mildew and the area affected is too large for the weatherization crew or contractor to remediate;
- Asbestos abatement is needed;
- The presence of animal feces and/or other excrement;
- There are rats, bats, roaches, reptiles, insects, or other animals/varmints that are present or not properly contained on the premises that could cause harm to the crew or contractor;
- Disconnected wastewater pipes;
- Hazardous electrical wiring where the cost to repair exceeds the SIR threshold of the unit.

In unusual situations where unique problems exist that are not similar to or covered above, MFA should be consulted.

Deferral Procedure:

If the subrecipient or its contractors cannot, or choose not to weatherize a unit, it must notify the client or owner/authorized agent by use of the Deferral of Services Form which should include:

- The nature and extent of the problem(s) and how the problem(s) relate(s) to the determination not to weatherize the unit;
- Any corrective action required before weatherization services can be initiated;
- A time limit for correcting problems so that weatherization services may be rescheduled;
- The name of the person or entity responsible for correcting the problem(s);
- The right of appeal;
- All documentation justifying the decision to defer services must be kept in the client file;
- Agencies must also keep an updated spreadsheet to track all referrals and deferrals.
 - MFA will view these reports monthly and ask the agency for clarification for deferred units, particularly when the units have been deferred based on structural problems that could be mitigated through other funds.

If MFA has been contacted by the client, agencies must send the date of anticipated follow-up in writing to MFA.

V.1.3 Definition of Children

Definition of children (below age): 19

V.1.4 Approach to Tribal Organizations

□ Recommend tribal organization(s) be treated as local applicant? If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

Low-income members of an Indian Tribe are eligible to apply for services under this plan. Low income members of an Indian Tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state.

V.2 Selection of Areas to Be Served

The NM Energy\$mart Program is a statewide program serving the 33 counties of New Mexico:

San Juan; McKinley; Cibola; Rio Arriba; Taos; Colfax; Los Alamos; Santa Fe; Mora; San Miguel; Union; Harding; Quay; Curry; Guadalupe; DeBaca; Roosevelt;

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Sandoval; Bernalillo; Valencia; Torrance; Catron; Grant; Hidalgo; Luna; Socorro; Sierra; Dona Ana; Lincoln; Chaves; Otero; Eddy; and Lea.

The Program also serves the Pueblos of Zuni, Acoma, Laguna, Santa Clara, Ohkay Owingeh, Taos, Picuris, Nambe, Tesuque, Pojoaque, Cochiti, Isleta, Jemez, San Felipe, San Ildefonso, Sandia, Santa Ana, Santo Domingo, Zia, Jicarilla Apache Reservation, the Mescalero Apache Reservation, and the Navajo Nation.

The 2022 US Census American Community Survey was used to compile the data used for the distribution formula. The funding allocations for each county and tribe are arrived by using a formula that is based on the number of households with elderly, young children, disabled and low income occupants, weighted by heating and cooling degree days. This formula follows a similar method as the 10 CFR 440.10 that describes state allocations. The at-risk population segments are averaged with the amount of low income households to determine the allocations for each county and tribe.

DOE, LIHEAP and State funds will be allocated statewide based on the allocation formula. Utility funds will be allocated to the areas served by the participating utility companies using the same formula.

All subrecipients that serve the above areas must be a CAA, public, or nonprofit entity, and have been selected through an RFP process.

V.3 Priorities

Subrecipients will be required to disseminate information to the public about the availability of services within 30 days of receipt of the contractual agreement and shall retain proof of such dissemination in their records.

Subrecipients are encouraged to update the waiting lists annually to include written notification to individuals on the waiting list to determine if they still desire services.

Updating the waiting list will allow the subrecipients to identify the higher-ranking clients regardless of the amount of time they have been on the waiting list.

Priority among eligible applicants for the receipt of NM Energy\$mart services is established by the NM Energy\$mart online system, which follows the requirements specified in CFR 440.16 (b).

Priority is given by assigning points to to each of the four categories:

1. Elderly persons (a person who is 60 years of age or older) are assigned one to five points for each member based on the age;

2. Persons with disabilities are assigned one point for each member of the household with a disability;

3. Families with children (households with dependents not exceeding 18 years of age) are assigned one to five points for each member based on the age;

4. Households with high energy burden are assigned points in the following breakdown:

Energy Burden Percentage	Points
Between 6% and 10%	3
Between 11% and 15%	6
Between 16% and 20%	9
Between 21% and 30%	12
Between 31% and 40%	15
Between 41% and 50%	18
Between 51% and 60%	21
Between 61% and 70%	24
Between 71% and 80%	27
Between 81% and 90%	30
Between 91% and 99%	33
100% and over	36

Energy burden percentage is determined by dividing the energy bills by the household income. When a household uses 15% or more of the household income for energy usage, it is considered high energy burden.

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Ranking of "high residential energy users" is not used to determine priority for weatherization and do not receive priority points.

These categories are the only allowable priorities for the NM Energy\$mart Program. Applicants that have the oldest certification date within the same ranking category may be serviced before other applicants within the same ranking category.

All housing types allowable within this Master Plan are included in the ranking system, however, housing type is not used as a priority and may not be used to determine priority.

Subrecipients are required to service the minimum number of homes in each county determined by the allocation formula no less frequently than every two years. This requirement can only we waived with a "high energy burden waiver". Counties that have a higher concentration of energy burden on the waiting list compared to other counties within the same service territory may qualify for a "high energy burden waiver" under the following conditions:

- · Homes with the highest-ranking score in the county are weatherized first;
- The agency's production plan shows when the units in the remaining counties will be weatherized;
- Allocations for counties outside of the high energy burden county will be reduced evenly across all counties by a percentage of the original allocation;
- Other funding sources are fully leveraged to spread the funds as far as possible;
- It can be demonstrated at the time of waiver submission; the county has a greater need than the minimum allocated units due to a dense concentration of high energy burden within that county. MFA will work with the agency by providing wait lists and energy burden scores regularly to the subrecipients.

When an agency proceeds with weatherizing home within any given county, homes with the highest number of priority points must be weatherized prior to other homes.

V.4 Climatic Conditions

New Mexico is the 5th largest of the 50 United States with a total area of 121,599 square miles (121,365 square miles land and 234 square miles covered by water). Within the state's boundaries, elevations reach as high as 13,161 feet above sea level (Wheeler Peak in Taos County) and as low as 2,842 feet above sea level (Red Bluff Reservoir in Eddy County). The vast land area, variations in local topography and elevation disparities cause measurable differences in climate even within each of the two identified regions.

Likewise, Lawrence Berkley National Laboratories (LBNL) has identified three distinct climactic zones that are independent of the particular heating and cooling demand associated with the region, but still significantly affect the performance of units within each zone. The Department of Energy has defined three distinct climate zones that cover parts of New Mexico. These climate zones help approximate the performance of a building within each zone due to the effects of heating cooling demand, precipitation, and relative humidity.

The three zones identified in NM are three (hot dry), four (mixed dry), and five (cold). For the purpose of this analysis, the county seat or most populous city was used to determine the average degree days for each county where available. Data was collected for 12 months to arrive at annual totals.

HEATING DEGREE DAYS Base 68: Zone three has an average of 4,799 HDD; Zone four has 5,104 average HDD; and Zone five has and average of 6,305 HDD.

COOLING DEGREE DAYS Base 70: Zone three has an average of 1,419 CDD; Zone four has 956 average CDD; and zone five has 738 average CDD.

Air conditioning system replacement, repair, or installation is allowed in units of at risk occupants or where climate conditions warrant. At risk occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns. Climate conditions that would warrant this allowance are areas that have an average of 800 Cooling Degree Days (CDDs) or higher using a base 70. For all other areas, medical eligibility from a third party medical professional proving at risk is required for any occupant.

Some counties are very large in square footage and may have a vast variance in elevation and both heating and cooling degree days. Therefore it is necessary to modify the weather files to a climate that most closely resembles the local area of the individual buildings receiving the weatherization work, and not just the closest city. Due to the variations in climate throughout the state, each energy audit shall be adjusted to most accurately model the climactic conditions of the individual location. Likewise, each energy audit shall indicate the model climate used (either a location included in the DOE approved auditing software, or the HDD base 68 /CDD base 70 factors). There are 26 different weather stations used throughout New Mexico for the energy audit. Two maps have been uploaded that describe the different climatic zones that are used in New Mexico.

V.5 Type of Weatherization Work to Be Done

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V.5.1 Technical Guides and Materials

The NM Energy\$mart Program is committed to full compliance with 10 CFR 440.21(i) and WPN 19-4 for energy audit procedures. All installations are using materials that are listed in Appendix A of 10 CFR 440.

The NM Energy\$mart Program has approached the goal of meeting the specifications, desired outcomes, and objectives of the Standard Work Specifications (SWS) with several successful methods. Our Subrecipients have been in the practice of utilizing the SWS at full implementation since PY 2014. Below is a list of manuals and guides with dates of issue. Each of these have been uploaded with the State Plan in addition to the links provided below.

- NM Energy\$mart Administrative Manual https://housingnm.org/uploads/documents/2024_AdminProgramandFieldManual_WAP.pdf

 Re-issued 03/30/2023, updated 03/27/2023
- NM Energy\$mart Technical Standards https://housingnm.org/uploads/documents/NM_Energy\$mart_Tech_Standards_2024.pdf
 o Re-issued 02/28/24, updated 02/28/24
- Field Guide Single Family
 - Issued 02/16/2021, updated 02/16/2021
- Field Guide Mobile Homes
 - Issued 02/16/2021, updated 02/16/2021
- Field Guide Multifamily
 - Issued 01/08/2020, updated 01/08/2020
- Energy Audit Procedures https://housingnm.org/uploads/documents/NM_Single_Family_Audit_Procedures_2024.pdf
- Re-issued 02/28/24, updated 02/28/24

There are four ways the documents are made available to our subrecipients:

- 1. We communicate with our subrecipients on a regular basis referencing the necessary materials. This communication is either triggered by a conversation, email, monitoring or new regulations;
- Technical Committee calls are held bi-weekly. During these calls, the Technical Standards, field guides, and SWS may be discussed with challenges, successes, and innovative approaches to compliance. The attendees for these meetings are the Energy Auditors, Program Managers, Quality Control Inspectors and the staff from the Energy Smart Academy;
- 3. During any WAP RFP process, the links to the manuals are provided with the RFP package;
- 4. Subrecipient use of the documents and guide compliance are verified through the monitoring process.
- 5. Monthly desk monitoring when invoices are submitted, agencies are reminded of where to find answers to questions.

All NM Energy\$mart contracts between subrecipients and MFA reference compliance to the SWS. The contracts contain the following statement:

Subrecipients will be responsible for providing services as required by the Department of Energy (DOE) Standard Work Specifications (SWS). The SWS requirements for Single Family Homes & Manufactured Housing can be accessed at https://sws.nrel.gov. If these specifications are not followed, reimbursement will not be made.

All subrecipients have incorporated language in their contracts with their subcontractors requiring compliance to the SWS. Subrecipients will incorporate language into their contracts that require all materials used must be listed in the 10 CFR 440 Appendix A. All contracts between any entities using WAP funds have signatures from both parties verifying acknowledgement of the aforementioned expectations.

Field guide types approval dates

Single-Family: 2/16/2021 Manufactured Housing: 2/16/2021 Multi-Family: 2/16/2021

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family

Audit Name: NEAT

Approval Date:

Audit Procedure: Manufactured Housing Audit Name: MHEA

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Approval Date:

Audit Procedure: Multi-Family Audit Name: TREAT Approval Date: 10/20/2022

Comments

Energy Model Software

NM was approved to use TREAT for multifamily buildings on June 27, 2022. All MF projects must be approved by MFA prior to commencement of work.

New Mexico's single family site built energy audit procedures have been approved by DOE to use NEAT on February 12, 2024. New Mexico's single family manufactured home energy audit procedures have been approved by DOE to use MHEA on February 12, 2024. For these two building types, NM will be seeking energy audit approval using the WA 10 online software before the end of PY 2023:

Audit Procedures

This section summarizes the protocol that is detailed in the single family and multifamily energy audit procedures submitted with the energy audit review packages. Energy audit procedures can be found here:

- · Pre-visit planning and desk viewing;
- A certified energy auditor performs an in-person meeting, including client education, and completes a full building screening for weatherization viability and hazards;
- Thorough exterior envelope inspection for SWS requirements, Health and Safety, TREAT, NEAT or MHEA entry, and BPI standards;
- Interior inspection for data entry, Health and Safety, lead tests, baseload usage measures (lighting, refrigeration, etc.), number and location of appliances, and diagnostic testing arrangements;
- Diagnostic tests are performed on all required appliances for efficiency, safety, and operating condition outlined in the NM Energy\$mart Technical Standards;
- Blower door testing procedures are performed including air leakage and barrier assessments, zonal tests, ASHRAE 62.2-2016 determinations, and duct leakage tests;
- Final walk through with recap on client education, double check on field notes, pilot lights, house condition, additional tests if needed;
- All information is reviewed and entered into energy audit software. This includes verifying input reports against actual notes, comparing audit results with preliminary scope of work, review of measure and SIR ranking, incidental repair and health and safety items;
- The energy audit assumptions are checked against the assessor's knowledge, photos, and videos of the unit for accuracy;
- Energy Auditors will comply fully with the NM Energy\$mart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, post cleaning of tools, and pre-client screening, when applicable.

Fuel Switching

MFA has gained approval from DOE to issue state level fuel switching approvals. Subrecipients must follow the fuel switching procedures that include package submittal to MFA. Package elements include photos of the home and complete audit paperwork. The audit inputs and recommendations are reviewed for accuracy. Approval is not awarded until all fields are satisfactory and the switch is proven to be cost effective.

Fuel Switching Procedure:

- 1. Opportunity is first identified by the assessor/energy auditor
 - a. Client education is provided, and owners of the dwelling must agree to the fuel switch.
 - b. A determination is made that all codes can be complied with and associated costs by the agency.

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c. The electrical panel must be able to accommodate the equipment for both electrical load and physical location if switching to electric. If upgrade is needed, costs are included as incidental repairs to the heating system replacement in the audit. Cumulative SIR must be 1 or higher.

2. The assessor obtains existing fuel use and cost from the owner of the dwelling either in utility bills or propane company.

- 3. All the audit procedures are followed as with any other audit.
- 4. The following is sent to MFA for review:
 - a. Photos of the unit, location where replacement will be, and of the existing heat source.
 - b. Complete energy audit including recommended measures, input report, field data, and other relevant information about the unit.
 - c. Estimated fuel usage based on a season's billing and service.
 - d. If audit libraries have been updated since the last request, they are provided with utility cost, escalation rate, and related utility charges including permits and connections needed if any.
 - e. Age and type of home.
- 5. All associated costs with the fuel switch must be included with the measure or as an incidental repair.
- 6. *Site built units require additional steps for the modeling heat pumps replacing propane fuel that are supplied with this plan*
- 7. MFA reviews the documents, compares the field data with the photos, input reports and recommended measures for accuracy.
 - a. All entries within the audit must be accurate to determine if the switch is cost effective.
- 8. Any errors or discrepancies found are communicated to the assessor and the items are corrected prior to approval.
- 9. An approval is issued only if it is demonstrated that the individual fuel switch measure and the cumulative savings for the unit shows a savings to investment ratio (SIR) of 1 or greater.

Cooling Systems

- 10. Existing evaporative coolers are to remain as the only cooling source. Clients are provided education as to the potential higher costs of the heat pump in the event it desired be used in an for temporary emergencies.
- 11. Must include modeled electric use for the summer months associated with cooling if heat pump is used for cooling.
- 12. When window AC units are present as secondary systems to the evaporative cooler, the units must be included in the model for replacement by heat pump in addition to the evaporative cooler to determine cost effectiveness of the heat pump replacing both evaporative cooler and window units.
- 13. MFA uses a checklist that helps look for details when determining if all things have been considered for the particular switch.

Asbestos

In the event that dangerous friable materials (e.g. Lead-based paint dust, disturbed asbestos, or hazardous organic materials such as mold) may become air-borne due to depressurization testing, any testing requiring the use of a blower door may be omitted. Such conditions must be documented including photographs, and included in the unit file. For the purposes of energy auditing and air-sealing specification, the Energy Auditor will assume a .5 cfm 50 square feet of exposed envelope area.

Software Used

To ensure eligible occupants of multi-family housing will receive cost effective weatherization services, each weatherized building will have a computerized energy audit, TREAT, which complies with 10 CFR 440.21(b) completed prior to the installation of any weatherization measures. This energy audit will be included in each unit file. For single-family units a NEAT audit will be completed. For mobile home units, a MHEA ,or if the mobile home is structured more like a site built unit, a NEAT audit, will be completed.

Priority Lists

NM was approved to use priority lists December 6, 2022 for all building types. Agencies must follow the approved priority list procedures when it has been determined

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that the use of the priority list will be most advantageous to the home or project. MF projects must approved by MFA prior to commencement of work. Priority list procedures are contained within the Energy Audit Procedures.

V.5.3 Final Inspection

In accordance with WPN 22-4, MFA will ensure that all final inspections meet the criteria below.

Subrecipient's may not report a unit as having been weatherized until all weatherization materials identified for installation at said unit have been installed and the subrecipient, or authorized representative, has performed a final inspection(s) of said unit, and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21. All final inspections will meet the requirements of the Standard Work Specifications, Technical Standards, and the NM Field Guide. Local code requirements for mechanical appliance installation are included.

All subrecipient's final inspections will continue to be performed by a certified Quality Control Inspector (QCI) independent from the initiation of the work order, assessment, or work completed. All three of New Mexico's subrecipients have certified Quality Control Inspectors and Energy Auditors on staff. The NM Energy\$mart Program continues to encourage each agency to pursue more QCI Inspectors and Energy Auditors. The use of contractors for QCI and energy audits is encouraged and allowable.

The subrecipient must verify that all weatherization materials identified for installation at the particular unit have been installed in a workmanlike manner and in accordance with the priority determined by the auditing procedure as required by 10 CFR 440.21, meet the requirements of SWS, Scope of Work, and our Field Guides prior to reporting the completed unit. Said verification must include, at a minimum, the following verifications and tests:

- Evaluation of the original assessment, the original audit, work order, invoices, and contents of the file;
 - The original field data collection, field notes, and input report must be reviewed to ensure the energy audit called for the correct measures. Missed opportunities must be addressed prior to unit passing inspection;
 - Files are not to be closed if missed opportunities are found. This includes an evaluation of all potential funding sources to be sure that all eligible energy saving measures (ECMs) are installed.
 - The final inspector must assess the energy audit and confirm the accuracy of the field site data collection, energy audit software inputs, and the measures called for on the work order. These must be verified against the approved energy audit procedures.
- All weatherization measures completed by agency's crew(s) or procured contractors;
- All mechanical work performed including: verification of new equipment size and rating; state inspector has been contacted for inspection, and required diagnostic testing;
- Combustion Appliance Zone(CAZ) Required testing under worse case conditions (BPI Protocol)- Required SWS tests must be completed or verified that HVAC contractor has completed;
- Post-Retrofit Blower Door Depressurization Test, Zone Pressure Diagnostics (See Energy Audit Section for more detail); Minimum Ventilation Compliance Verification.
- Multifamily projects are required to test the same units initially sampled for blower door. Further blower door testing may be performed by the QCI as needed but is not required.
- The final inspector/QCI **MUST** verify all energy audit inputs.

If Duct-sealing was performed:

- Worse-case depressurization test with air handler on and off;
- Pressure Pan Testing;
- System Balance Testing between rooms with ducts and unit (maximum 3pa pressurization);
- · Visual inspection for plenum and end of leg boot sealing;
- Visual inspection for applied field guide methods;
- If Mechanical Ventilation has been installed, then the inspector shall verify continuous and peak flow output of the unit through Flow Hood Testing. NOTE: For HRV/ERV installations which use the central supply and return ductwork, Flow Hood Tests may be required at all supply and return register locations. All mechanical ventilation must comply with ASHRAE 62.2 2016;
- Client satisfaction interview and dialogue that includes review of client education;

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- Visual inspection of all work completed for quality;
- · Detailed and thorough file inspection compared with work for consistency.

The final inspection for each weatherized unit shall be performed by a certified subrecipient QCI, or a contracted MFA approved certified QCI within 45 working-days of the final day of weatherization work being completed by agency crew(s) or contractors. Any required rework shall be completed in a timely manner and must be verified by the original inspector. It is considered best practice to schedule the inspection as close to the completion of work as possible.

MFA's certified QCI staff or staff from SFCC will inspect 5% of all completed units. In the event an Energy Auditor also needs to inspect the units due to the QCI requirement, or if through previous QCIs problems have surfaced that need follow up, MFA's Green Initiatives Manager will inspect 10% of the completed units for that subrecipient.

The final inspector may perform minor adjustments to previously installed retrofits in order to obtain satisfactory inspection results. Such adjustments must not exceed one working hour per unit or within a reasonable time frame depending on the distance, and will not be considered a "weatherization retrofit" as noted above.

Once completed, subrecipients must ensure that the client file contains a form that certifies the unit has had a final inspection, and that all work meets the required standards. The subrecipient then uploads detailed information on each measure installed in the unit, including final inspector name, estimated & actual cost, energy savings and SIR into MFA's online system. MF projects are uploaded by project with the same information for the entire project.

During the invoicing process, MFA's Green Initiatives Managers review the information on the units to determine the accuracy and technical implications of the data. If the entries raise questions or concerns, then the unit is not eligible for reimbursement until all questions and concerns are answered to MFA's satisfaction. The said units may be flagged to be included in MFA's QCI inspections.

Under no circumstances may a job be completed if there are unsafe appliances or conditions left in the home as a result of weatherization, or that funds available to the agency could remedy.

Disciplinary actions for inadequate inspection processes determined by 100% desk monitoring or the required 5% to 10% field monitoring will first involve exploring the options of QCI re-training for the inspector. If training is not a viable option or does not remedy the problem, the inspector will not be allowed to perform inspections for a specified period, depending on the severity of the infraction, until proof of adequacy is obtained.

Continued inspector inability or refusal to comply with policies is grounds for MFA to recommend suspension, termination, or otherwise apply special conditions to the inspector performing further QCI inspections for the program. The agency will be required to utilize other QCI inspectors to verify completed units.

During the technical monitoring process, the Green Initiatives Managers verify the certificates of each QCI and Energy Auditor of the agency being monitored. The Energy Smart Academy and the Green Initiatives Managers are in communication as needed about upcoming certification expirations and the need for training review prior to re-certification.

The monitoring process also observes the procedures of the QCI during a final inspection. Suggestions, comments, and best practice observations are communicated to the QCI and an official letter is sent to the agency after review.

As needed Final Inspectors will comply with the NM Energy\$mart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, and client interviews.

This program year, MFA may submit procedures for the QCI mentorship program to our DOE project officer. This will enable an individual who is in the process of obtaining the QCI certificate to conduct the inspection per DOE approved procedures.

Attached are final inspection forms, final diagnostic testing forms, and technical field monitoring forms.

V.6 Weatherization Analysis of Effectiveness

MFA qualified staff, our in-house on-line reporting system and the Energy Smart Academy provide long-term stability of the program. The Academy, developed in partnership with Santa Fe Community College, has earned a growing reputation as one of the premier training centers in the Weatherization Assistance Program. The Academy is IREC accredited in the four training job categories of Retrofit Installer, Crew Leader, Energy Auditor, and QCI. MFA and our partners use these pieces to enhance communication and target resources where they are needed. Our process for communication will remain in place going forward and will be used to help align with the announced new DOE program requirements.

In order to assess effectiveness, the NM Energy\$mart Online System (System) captures the unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the network. The System also shows the frequency with which each agency and auditor installs individual measures and also allows MFA to assess each Agency's performance in a number of areas. The system-level assessment allows MFA to select individual units for inspection. A separate unit inspection database collects information from inspected units. Monitoring data follows the path of information sharing that occurs through the online system.

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MFA is using this online system to increase the value of energy burden in relation to the other priority categories to place emphasis on underrepresented groups that tend to have a greater energy burden than populations that are not underserved. MFA is also working with the training academy to recruit and hire individuals from all communities, including the underrepresented communities as part of a workforce solutions plan.

MFA uses the System to conduct a 100% desk audit of all units completed prior to paying subrecipient invoices. Prior to invoices being paid, the following is reviewed by the weatherization team for accuracy:

- Measures installed on each unit are compared to determine the relationship between estimated costs and actual costs;
- Energy saving measures are confirmed to have SIRs and corresponding MMBTU savings;
- The SIRs and MMBTU savings are compared with averages. If a particular measure appears to be unusually high, the agency is asked to provide back up;
- Total cost and projected energy savings are tracked for each measure and for the unit as a whole;
- Year the unit was built to determine if additional information is needed from the agency for compliance with lead based paint and SHPO;
- Square footage and structure type(mobile home or site built);
- For some measures more detailed information is collected including R values of added insulation, Manual J calculations of new heating systems, and air reductions relative to the initial blower door reading, air sealing target and the achieved reduction.

This System is also used to flag units that need additional unit inspection monitoring. Any unusual numbers, costs, or circumstances may trigger the inspection. These unit inspections become a portion of the required 5% to 10% Quality Control Inspections. During the unit inspection, the entire client file is compared to the entries for accuracy along with client interview regarding utility bill savings.

During the MFA unit inspection process of completed units, the techniques used to achieve such reductions, efficacy of installation methods, baseload measure assumptions, and other energy saving measures are observed and any findings, concerns, comments, and best practices are noted.

The data generated by the System or during technical monitoring and unit inspections stimulates dialogue between agency management, Green Initiatives Managers and the Energy Smart Academy. Stakeholders can quickly determine additional training where needed. Due to the specific nature of the System's reporting capability, specific training can be directed for specific auditors, inspectors and/or weatherization crews in order to resolve deficiencies in their skill set, and showcase best practices.

Monthly, a report is sent out to of the agencies detailing MMBTU savings, client monetary savings on average, wait lists in each county, total households weatherized for each funding source, average/total cost per unit, demographic information, deferrals, total unit entry for each client, and total numbers. This will enable the team to see how they compare with others and the national number of 29.3 MMBTUs per unit.

Energy Auditors are encouraged to practice the comparing of energy auditing estimates with utility bill usage. This helps the team realize how accurate their models are in comparison to actual usage and helps to spawn training where needed.

Over the last three years, the costs of materials have been observed to be increasing when reviewing invoices in the System. The costs of measures are reviewed on a regular basis prior to invoices being processed to compare with market costs of those particular measures. If something appears to be high, a detailed explanation is requested from the agency, or the agency's procurement may be examined for that item.

Continuous process and improvement is the goal of the combined training and monitoring programs. Through comprehensive training, staff continues to be cross trained and the basics are reviewed to widen the capabilities in addition to ensuring the existing staff understands the basics of the program on the most fundamental levels. Technical monitoring and regular conversation with the agencies help determine additional training needs.

MFA now has multiple staff members that use this system to generate multiple reports for the purpose of agency education, training, monitoring, and funder requests. These reports will be reviewed by the Green Initiatives Managers and dispersed to the agencies regularly. In addition to reports being made available to agencies and funders, the data will be used to target areas that can benefit from outreach to increase knowledge of the program.

At any point, a full report can be obtained for any subrecipient, funding source, or time period containing all the fields that have been entered into the system during the monthly invoicing.

If not already located in the Technical Standards or Administration Manual, the agencies answers to questions are reviewed by the Technical Review Committee that meets twice a month. These responses are entered into the appropriate manual and section during the normal updating process.

V.7 Health and Safety

See attached Health and Safety Plan.

V.8 Program Management

V.8.1 Overview and Organization

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MFA

The New Mexico Mortgage Finance Authority (MFA) was created by the New Mexico State Legislature in 1975 as a statewide government "enterprise" to provide financing for affordable housing to medium and low-income persons and receives no money from the state to operate. MFA is governed by a board of seven members. Four members are appointed by the Governor and three members serve by virtue of their state office: the State Attorney General, the Lt. Governor and the New Mexico State Treasurer. The Chairman of the Board is appointed by the Governor. Rules and regulations formulated by the MFA are approved by a Legislative Oversight Committee of the State Legislature. The committee is comprised of eighteen members.

By Executive Order 97-01, the State Governor transferred all federally funded housing programs to MFA on January 14, 1997. The Weatherization Assistance Program (WAP) was included in this transfer. Consequently, MFA took over the administration of WAP during the ongoing plan for 1996-97. Shortly thereafter, MFA staff produced its first plan (1997-98). MFA does not administer the State Energy Plan nor LIHEAP.

MFA has assigned significant managerial resources to the Weatherization Assistance Program to ensure its successful administration. A list of MFA personnel with direct WAP responsibilities is provided below. MFA has integrated WAP as a core activity throughout its organization; e.g. Information Technology. The Accounting, Human Resource, Legal, and Marketing Departments are available to act on WAP activities and issues.

Program Manager

David Gutierrez is the weatherization program manager with three years of experience in code enforcement, zoning, and housing inspections with the City of Albuquerque. He has 15 years of housing experience including property management, LIHTC, HUD, HMIS, CoC. RAP, FEMA, Motel Vouchers, Displaced Tenants, and Rental Assistance. David is responsible for all reporting, purchases, programmatic monitoring, file organization, manual revisions, contracts, amendments, and risk assessments.

Green Initiatives Managers

Green Initiatives Manager, Troy Cucchiara has been with MFA as technical manager since March 2014. Troy came to the position with over 8 years of weatherization experience with a technical background. He is responsible for overall direction and supervision of the program, leverage efforts, coordination with grantee staff; and the overall management of subrecipients. His responsibilities for the technical aspects of the program include training and technical assistance as well as health and safety issues and program compliance with all DOE technical requirements. His qualifications include 10 years of field experience and he holds certificates for several areas in the field of weatherization including Energy Auditor and QCI Certification.

Green Initiatives Manager, Dimitri Florez has been assisting Troy since January 2020 with managing the NM EnergySmart Program. Dimitri arranges technical monitoring visits and handles all on-site unit inspections. Dimitri manages most utility funders and carefully reviews each invoice for proper allocations between funding sources. Dimitri's qualifications include 3 years of field experience and holds the Building Analyst and Energy Auditor Certifications. Dimitri continues to learn all aspects of the program and successfully achieved his QCI on March 24, 2023.

Weatherization Team

Troy, Dimitri, and David work closely to monitor subrecipients' activities. They will conduct a minimum of one financial and operations monitoring visit and one technical monitoring visit per year for each agency. They will also monitor a minimum of 5% to 10% of files and provide on-site unit inspections of the files reviewed. On a monthly basis the three will conduct 100% of desk monitoring through our online system for all funding sources. A prescribed monitoring tool is used for all monitoring visits. The team provides training and technical assistance to our subrecipients as needed throughout the program year.

Supervisors:

Kellie Tillerson, Director of Community Development, is responsible for the successful implementation of the weatherization program. She also provides direction to staff and promotes the weatherization efforts externally. Her oversight includes directing the activities and acceptable performance of the weatherization subrecipients and ensures that MFA and subrecipients are in compliance with all regulatory and contractual requirements of the program. She ensures the monitoring of subrecipients is in compliance with their contracted programs in accordance with regulations outlined in federal/state contractual agreements and MFA's Compliance Manuals. Ms. Tillerson works with staff in assisting the efforts to build their capacity through training and providing technical assistance on the program development. Ms. Tillerson also oversees the efforts to increase funding for the program.

John Garcia is the Assistant Director of Community Development at MFA. Mr. Garcia will assist Kellie Tillerson, the Director of Community Development, as needed and will assume her duties in the case of her absence.

Mr. Garcia is responsible for supervising the program managers for the Emergency Homeless Assistance program, Housing Opportunities for People with Aids program and the Youth Homeless Demonstration project. John has 25 years of experience working for the state of New Mexico. His last position with the state was the Grants Management Bureau Chief for the Human Services Department. Over his career at the state, he has held the positions of EBT Program Manager, Benefit Management Track Lead for the SNAP and TANF eligibility system, Management Analyst, Child Support Enforcement Officer, and Income Support Specialist. He has a master's in business administration and holds a certificate in Project Management.

Administrative Support:

Indirect costs will be charged using the de minimus rate of 10% of Modified Total Direct Costs. Included indirect costs include the support of administrative staff.

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The Controller and accountants, are responsible for reviewing monthly fiscal reports, preparing reimbursements, and maintaining all required financial records to account for Grantee and subrecipient expenditures and balances. They are also responsible for subrecipient financial management and quarterly reporting to DOE. The Administrative Support staff provides Marketing and Information Technology support to weatherization staff necessary to carry out the functions of the weatherization program.

MFA will comply with the record keeping requirements prescribed on section 10 CFR 440.24, and with the reporting requirements on section 10 CFR 440.25.

MFA's Policy Committee is responsible for overall management of the weatherization program. They provide oversight and effective and efficient management of the weatherization program and provide direction to weatherization staff along with the Director of Community Development. They promote the weatherization efforts externally.

V.8.2 Administrative Expenditure Limits

New Mexico's admin is set at 15% with MFA receiving 5% and the remaining 10% allocated to our subrecipients. MFA will NOT be requesting the additional admin funds for our existing subrecipients are already receiving 10% admin.

V.8.3 Monitoring Activities

Monitoring Approach

Monitoring is a tool used to assist its subrecipients with their efforts to resolve problems encountered in the administration and operation of the NM Energy\$mart Program, and to ensure compliance with all applicable Federal and State laws, rules, codes and regulations. To achieve this goal, Troy Cucchiara, Dimitri Florez, and David Gutierrez, will conduct all monitoring. For the program year 2024-2025, training and technical assistance funding in the amount of \$10,311 will be used for monitoring and \$2,250 of leveraging will be used. Administration funds used for monitoring are \$14,783 and will be 54% of the monitoring budget.

Desk Monitoring

Each month, agencies invoice for completed units that includes data entry by the agencies for numerous fields. This enables MFA to perform the following:

- · Completed Unit Reports that show a detailed view all funding sources, amounts, and savings for each measure with each unit.
- All units and associated measures are viewed in detail for compliance during invoicing;
- · Total costs for labor and materials are viewed for reasonableness;
- SIR and energy savings in MMBTUs are compared to averages;
- Geographical patterns with production plan submitted by agency are reviewed;
- Based on the age of each unit, random selections are made for compliance of Lead Based Paint(LBP) rules and State Historic Preservation Office (SHPO) obligations;
- Input reports and recommended measures for energy audits are requested from units that have unusual circumstances, and random units.

• Once NM is using WA10 Online, there will be no more need to request input reports, and MFA staff will have the ability to easily view more unit entries.

Unit Inspections

Unit inspections include at minimum the below items:

- · Homes are selected based off desk monitoring, geography, random selections, or other factors;
- Prior to home visit, the client file is inspected from front to back for full program compliance;
- Complete inspections are conducted on the unit following BPI QCI protocol;
- Minimum of 5% for all three agencies are conducted;
- Minimum of 10% when the QCI final inspector is the same person as the assessor/energy auditor;
- 10% QCI is performed when there are repeat findings or concerns.
- Multifamily receives 5% units from each MF project.

Technical Monitoring

The below items are part of technical monitoring:

• Review of scheduling procedures is conducted;

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- Eligibility and intake are reviewed;
- Rental audit procedures are confirmed;
- Multifamily audit procedures and compared with field work;
- Energy audits for single family are reviewed;
- Qualifications & training of agency staff (includes new hires) are reviewed;
- T and TA progress is discussed;
- Overall weatherization of units is monitored by field visits;
- Field work methods and work in progress is reviewed;
 - This includes a work-in-progress, energy audit assessment, and QCI final inspection.
- The agency's QCI methods are discussed and observed;
 - Unit inspections can be additional to the technical monitoring.
- During all field visits, Health & Safety procedures and OSHA compliance is monitored;
- Equipment/inventory/material condition and calibration is inspected;
- Feedback & reporting is discussed with the agency;

Programmatic Monitoring

The following items are reviewed for programmatic monitoring:

- Program overview (client file review, work orders, etc.);
- Financial/administrative process;
- Expenditures and admin;
- Financial administration;
- Quality management assurance;
- Vehicles & equipment inventory and maintenance;
- Procurement procedures and packages;
- Insurance requirements.

Financial Monitoring

During the programmatic monitoring, the fiscal piece is reviewed and includes:

- Financial management/accounting systems and operations;
- Financial audits and audit compliance;
- Fiscal tests including tracing item on GL to source;
- Fiscal tests on each funding source to all costs eligible;
- Payroll and personnel;
- Grant specific GLs.

MFA staff coordinates all activities and provides clear and concise direction to comply with the applicable standards and regulations. Staff conducts field monitoring of subrecipient financial activities including financial audits, production and reporting requirements. Program staff also assists subrecipients to improve operations through training and technical assistance to correct noted problem areas.

Single Audits or Audited Financial Statements

In addition to the staff that conducts the monitoring, MFA's Accounting Department and Internal Auditors are available when needed to review subrecipient financial operations. Subrecipients financial audits are reviewed as part of their onsite monitoring. Financial audits are also reviewed at the time of audit submission when the financial audit is due for that year.

To complete the approval of the annual external financial audits, the first layer of review is by the Program Manager. The second layer of review and approval is either done by the Assistant Director of MFA's Community Development Department or MFA's Controller.

At a minimum, MFA staff conducts one onsite or virtual programmatic monitoring visit, one financial visit, and one in field technical monitoring visit each year. Comprehensive monitoring tools are used as part of the thorough review of each subrecipient. If necessary, a follow up monitoring visit will be conducted to verify that corrective action has been initiated or completed. Through our online reporting system, staff conducts reviews on financial reporting and expenses.

General Monitoring Practices Staff will perform field onsite technical monitoring visits to Southwestern Regional Housing Community Development Corporation (SRHCDC), Central New Mexico Housing Corporation (CNMHC), International Center for Appropriate and Sustainable Technology (ICAST), and Red Feather Development in the 2024/2025 Program Year. In the event travel is restricted due to future pandemics, monitoring visits may need to be conducted virtually and remain consistent with the approved virtual monitoring plan.

In addition to the monitoring, MFA staff has developed their own QCI inspection policies. The team will perform certified QCI reviews of client files and inspect the

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corresponding units of 5% to 10%. This will occur on a continual basis to ensure that SWS, DOE guidance, and NM Standards are being followed. The team looks closely for missed opportunities, and client safety. Health and Safety approach with the best practice possible are encouraged. In the event quality is not up to standards, and it is determined that there is a pattern, comprehensive or specific training will be scheduled to correct the issues. Health and Safety deficiencies, depending on the severity, are corrected immediately, with preference being the same day.

Quality Control review of units and files consists of reviewing every detail for each file prior to the unit visit. The file should accurately tell the story of the weatherization work that took place at the unit. If one thing is out of place, it serves as an indicator to look for additional related items.

In the event subrecipients fail QCI inspections; they are given the opportunity to remedy the problem within a reasonable time period. This rework is not eligible for reimbursement with DOE funds. The unit may be re-inspected by MFA's QCI, depending on the nature of the failure. Photos or other proof of correction is required. The training Academy is notified of the area of weakness and modifies the classes if needed. In extreme cases, additional classes are scheduled for the agency.

When there are findings or concerns that surface during inspections, the subrecipient is asked to explain how they will improve in their correction plan. This may entail updating their policies and procedures, more frequent monitoring by MFA, or training to help the subrecipient understand how the problem occurred and how to prevent it.

MFA also requires subrecipients be audited in accordance with section 10 CFR 440.23(d). For program year 2024/2025 only one of the NM Energy\$mart subrecipients met the 2 CFR 200 threshold amount of \$750,000.00.

As a follow up to each visit, MFA staff provides the subrecipient with a written report that describes noncompliance or problem areas, suggested comments and best practices. The report is submitted to the subrecipient within 30 days of the visit and the subrecipient is required to respond within 30 days to MFA with a Corrective Action Plan addressing any findings, concerns, and recommendations. This Corrective Action Plan must include an identified target date for each deficiency. This is tracked by an online tracking system. Follow up communication through phone conversations, email, and necessary onsite visits is continual until the problem is resolved. MFA keeps the line of communication open to help the subrecipients achieve the ultimate goal of compliance and best practice.

The subrecipients are sent the updated monitoring instruments prior to the visit that will be used, since they are accountable for implementation of the program in accordance with the standards and procedures.

In all instances, MFA is committed to working closely with subrecipients to succeed. However, if after numerous attempts have been made towards compliance or if a subrecipient is either unwilling or unable to resolve a noncompliance issue, MFA would start to work toward defunding the agency. This is a last resort and will only be implemented in the most extreme cases.

When a problem is resolved to the mutual satisfaction of the subrecipient and MFA, MFA staff will send a follow-up letter to close the finding.

MFA looks for patterns of fraud within the agency documents, such as the general ledgers. If there is any suspicion of mismanagement, fraud, waste or abuse or if any significant problems are found, MFA will immediately notify the DOE Project Officer, and the Investigative General.

MFA will submit annual reports to the DOE Project Officer describing its monitoring efforts to date. The report will include at least the following:

- Number of monitoring visits to each subrecipient;
- General nature of the findings;
- A discussion of significant corrective actions.

MFA will also have all monitoring reports available, upon request, for DOE inspection. MFA will summarize and review its monitoring activities and findings for internal assessment of subrecipient needs, strengths and weaknesses and annual planning. This data will be incorporated in the New Mexico Consolidated Plan and Annual Performance report.

Credentials MFA staff has substantial experience in monitoring NM Energy\$mart and other Federal and State programs.

Troy Cucchiara is the Green Initiatives Manager and a QCI for MFA. Troy oversees all aspects of the weatherization program including the programmatic, fiscal, technical, and QCI monitoring. He has been involved with the home retrofit industry for 25 years and has been an integral part of the Weatherization Assistance Program for different agencies since 2006. He has earned numerous certifications including Commercial Energy Auditor, Water Specialist IV, CBI Thermographer, Lead Certified Renovator, Lead Dust Sampling Technician, AHERA, OSHA 30, Building Analyst, Building Envelope, and Home Energy Professional Quality Control Inspector, Multifamily QCI, Energy Auditor, and has been a BPI Proctor for the Santa Fe Community College. Technical experience includes energy auditing, unit inspections, program management, water treatment design, inventory control, public speaking, staff training, and client education.

Dimitri Florez is the Green Initiatives Manager and QCI for MFA. Since January 2020, he has been assisting MFA's Green Initiative Manager, Troy Cucchiara with managing the NM EnergySmart Program. Dimitri schedules all technical monitoring visits, and on-site unit inspections. Dimitri's qualifications include 3 years of field experience and holds the Building Analyst and Energy Auditor Certification in the field of weatherization. Dimitri is learning all aspects of the program working closely with Troy. Dimitri will has received his QCI certification in March, 2023.

David Gutierrez conducts all programmatic and fiscal monitoring. David has three years of experience in code enforcement, zoning, and housing inspections with the City of Albuquerque. He has 15 years of housing experience including property management, LIHTC, HUD, HMIS, CoC. RAP, FEMA, Motel Vouchers, Displaced Tenants, and Rental Assistance.

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Levels of Agency Performance

High Performance or Exemplary Agencies: By way of monitoring review, an agency has demonstrated performance standards that meet or exceed standards that are commonly observed in the following areas:

- No Health and Safety findings;
- No procedural findings;
- No financial audit material findings;
- In general an agency's production is high relative to funding;
- No "at risk" elements are found in major categories for an agency;
- The agency provides comprehensive service utilizing the latest building science and renewable technology, in a cost effective manner in accordance with NM Energy\$mart Weatherization Assistance Program guidelines.

Stable Agency Performance: Typically, the frequency of monitoring will be (1) fiscal/operational visit and (1) technical visit per year by NM Energy\$mart staff. The need for additional visits within the same year will be determined by the agency's program funding and production level and the timely responses to any outstanding monitoring findings. MFA expects every agency to meet standards of performance, have a well established systems for program administration and operations, with no more than one finding in the following areas:

- Compliance with major program requirements, such as, lead based paint procedures, cost allocation;
- No more than one program specific finding in the annual monitoring visit;
- No more than one fiscal specific finding in the annual monitoring visit;
- Staff is well trained in performance of specific job duties;
- · Agency has complete and organized files;
- Evidence of prudent decision making as to the use of program resources;
- Complete scopes of work;
- NEAT/MHEA/TREAT documentation is current and consistent with billing;
- Staff is proficient in the use of auditing software;
- Evidence that NEAT/MHEA/TREAT is used with actual and true pre audit data (including costs);
- Evidence that NEAT/MHEA/TREAT is used effectively and thoughtfully in determining cost effective measures;
- Staff and contractors have demonstrated proficiency in technical applications, including diagnostics;
- Agency has a minimal number of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report;
- Agency complies with OSHA and MFA safety rules, as applicable;
- The agency maintains a professional working relationship with MFA;
- Past corrections are made and reported in a timely manner;
- Participate in NM Energy\$mart Peer Exchange meetings;
- No "at risk" elements are found in major categories for an agency.

Vulnerable Agency Performance: If an agency's performance is deficient in some or all of the following levels of performance MFA will prepare a plan to help the agency clear the deficiencies and will provide additional monitoring within the same year to ensure the agency has a well established systems for program administration and operations, with no more than one finding in the following areas:

- Compliance with major program requirements such as lead based paint procedures, cost allocation plan/indirect cost rate, required contractor information;
- No more than one program specific finding in the annual monitoring visit;
- No more than one fiscal specific finding in the annual monitoring visit;
- Staff is well trained in performance of specific job duties;
- · Lack of prudent decision making as to use of program resources;
- · Completes scope of work;
- NM Energy\$mart online reporting is current and consistent with billing;
- Staff is proficient in its use of the NM Energy\$mart online payment system;
- Evidence of the NM Energy\$mart online payment system is used with actual and true prepost data (including costs);
- Evidence of the NM Energy\$mart online payment system is used effectively and thoughtfully in determining cost effective measures;
- Staff and contractors have not demonstrated proficiency in technical applications, including diagnostics;
- Agency has a number of and severity of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous
 monitoring report;
- Agency does not comply with OSHA and MFA safety rules, as applicable;
- The agency does not maintain a professional working relationship with MFA;
- Past corrections were not made and reported in a timely manner;
- Agency does not participate in NM Energy\$mart Exchange meetings;
- Agency does not report as outlined in program manual;
- Several "at risk" elements are found in major categories for an agency.

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At Risk Agency Performance: At risk agencies will be monitored no less than twice annually. Other factors in the frequency of monitoring visits may be based upon the requirements of specific funding sources. These agencies may be identified as a result of a variety of factors that may include:

- Agency's probation, i.e. an agency's first year with the program;
- There is evidence of significant administrative or program substandard performance; for example, repetitive pattern of findings, failure to have copies of permits on file or lack of compliance with historical preservation rules;
- Agency is not in compliance with program policies, procedures and specifications;
- Agency has repeated health and safety findings;
- Agency staff members/crew has deficient technical skills;
- There has been a change in key staff;
- There has been a change in key weatherization subrecipients;
- Agency has deficient scopes of work (work plan is insufficient);
- Agency has program specific audit findings;
- · Agency has fiscal findings;
- Agency files are incomplete or disorganized;
- Agency staff is unresponsive to MFA requests and deadlines. For example, the agency consistently fails to provide monthly reports and contract closeouts in a timely manner;
- Agency production is low relative to funding.

V.8.4 Training and Technical Assistance Approach and Activities

See Attached T and TA Plan

Percent of overall trainings	
Comprehensive Traini	ings: 40.0
Specific Traini	ings: 60.0
Breakdown of T&TA training budget	
Percent of budget allocated to Auditor/QCI traini	ngs: 19.0
Percent of budget allocated to Crew/Installer training	ings: <u>32.0</u>
Percent of budget allocated to Management/Financial training	ings: 49.0

V.9 Energy Crisis and Disaster Plan

Objective: The objective of the New Mexico disaster response plan is to implement response activities that ameliorate the effects of the disaster to affected low-income persons with due consideration to the limited funds available during the program year.

Definition: A disaster is an event or development in the State declared by a Presidential or Gubernatorial order to be either a Federal or State emergency.

Procedures: Declaration of an energy crisis enables a subrecipient to place households affected by the crisis at the top of the weatherization waiting list. Subrecipient must follow WPN 12-7 and complete all allowed measures by the energy audit. Partial weatherization is not allowed with DOE funds. Once a QCI has approved the work, the crews can move to the next identified unit that qualifies. If at all possible, the subrecipient should complete the emergency units within the current program year.

The subrecipients must maintain a list of the units served during the crisis and provide the list of measures for each unit and the proposed date for full weatherization during invoice submission.

Criteria include:

- 1. Households must meet current income guidelines;
- 2. Priority will be given to elderly person, persons with disabilities, families with children, high residential energy users, and household with high energy

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burdens;

- 3. Priority will be determined through the program priority list for the particular disaster area;
- 4. Units weatherized 15 years before the present date, can receive additional assistance under "Energy Crisis";
- 5. Incidental repairs to an eligible unit will be allowed if the repairs are necessary to make the installation of weatherization materials effective;
- 6. Elimination of health and safety hazards will be allowed when it is necessary before the installation of weatherization materials.
- 7. Debris removal so a unit can be weatherized is considered an allowable cost but not an allowable cost for any units that will not be weatherized.
- 8. If DOE-purchased vehicles are used to assist in disaster relief for debris removal or other allowable activities, the activity must be allocated in accordance with 2 CFR 200.405.
- 9. Disaster area households may be considered a priority over other households within a subrecipient's territory only if the households are free and clear of any insurance claim or other form of compensation resulting from damage caused by the disaster, and the household must also meet one of the other priorities used within this State Plan.
- 10. DOE funds may be used to pay subrecipient staff to perform functions such as securing materials, tools, equipment, vehicles, files, and records. DOE funds are NOT to be used to perform work in the community for disaster relief.

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Version 1.0

TRAINING AND TECHNICAL ASSISTANCE (T&TA)

PLAN NEW MEXICO

1.0 – General Information

COMMENTS THAT DO NOT GENERALLY FIT INTO THE AVAILABLE TABLES BELOW

The descriptions within this template will address both online and in-person classes.

2.0 – OVERALL T&TA PLAN

YOUR OVERALL T&TA PLAN MUST INCORPORATE SUGGESTIONS AND FEEDBACK THE FOLLOWING ELEMENTS.

FEEDBACK FROM INTERNAL AND EXTERNAL REVIEWS, EXAMPLES INCLUDE:

- FEEDBACK FROM DEPARTMENT OF ENERGY (DOE) PROJECT OFFICER (PO) MONITORING VISITS
- INTERNAL STATE AUDITS
- GRANTEE MONITORING OF THE SUBRECIPIENTS
- OFFICE OF INSPECTOR GENERAL (OIG) REPORTS
- American Customer Satisfaction Index Feedback, and
- OTHER. EXAMPLES INCLUDE:
 - O TRAINING FEEDBACK
 - TRAINING RETENTION ACTIVITIES

Scheduled training is determined by the existing number of staff in each of the four categories, the desired number in each category, monitoring results, agency feedback, and unit inspections. The training schedule is changed to reflect feedback from the DOE Project Officer or other monitoring visits. Contractual requirements bind Subrecipients to the training schedule.

In addition to training in house staff, the network's intention is to use T&TA funding to train qualified contractors in as many areas of the state feasible.

DOE Monitoring Feedback:

DOE has conducted a technical monitoring April 1-5, and a programmatic monitoring April 15-19, 2024.

State Audit Feedback:

MFA requires a yellow book financial audit that follows all GAGAS standards for all Subrecipients. Single audits are required for entities that receive over \$750,000. Three of the four entities will be receiving over this amount and therefore will be required to provide their single audits for MFA review. The audited financial statements and auditors report are reviewed my MFA upon completion. Areas that are considered findings are discussed with the Subrecipients to help find suitable solutions or training. The area of finding is followed up by MFA during the annual monitoring visit.

Monitoring of Subrecipients:

MFA closely communicates with Subrecipients on a consistent basis. MFA can assess training needs through the process of desk monitoring, desk monitoring, invoice approval, 5% to 10% quality control site visits, annual onsite programmatic and technical monitoring. The training needs are communicated immediately to the Subrecipients when they are determined and then to the Energy

Smart Academy (ESA).

Notations, concerns, and findings resulting from a monitoring or inspection visit may but not always lead to comprehensive or specific training for the agency or individual in question.

When technical issues are discovered, the results are sent to the ESA with a request for training in the area of concern. This may result in changes in the agency training plan. If the problem is severe enough, the individual(s) will be required to complete training prior to working on any more homes.

EXISTING OR PLANNED ACCREDITED TRAINING CENTER PARTNERSHIP OR WORKING RELATIONSHIP.

Energy Smart Academy, Santa Fe Community College, 6401 Richards Avenue, Santa Fe, NM 87508 https://www.energysmartacademy.com/online-courses.html

Southwest Building Science Training Center, 3051 S. 45th St. Phoenix, Arizona 85040 <u>https://swbstc.org/</u>

PREPARATIONS FOR FUTURE/UPCOMING PROGRAM REQUIREMENTS, EXAMPLES INCLUDE:

- UPDATED STANDARD WORK SPECIFICATIONS (SWS)
- MIGRATION TO ONLINE WEATHERIZATION ASSISTANT
- INCLUSION OF SPECIFIC LANGUAGE FROM WEATHERIZATION PROGRAM NOTICES (WPN)
- HEALTH AND SAFETY GUIDANCE CHANGES
- ENERGY AUDIT PROCEDURES
- PLANNING FOR NEW CATEGORIES OF FUNDINGS SUCH AS WEATHERIZATION READINESS

In addition to following WAP Program Notices, MFA staff stays in close contact with NASCSP, Energy Out West, HPC, NM Energy and Minerals, and other industry experts. Information gathered from phone meetings, conferences, emails, and updates is regularly dispersed to the Subrecipients and the Energy Smart Academy (Academy). If the industry changes or updates warrant a change in training or policies, those changes implemented soon after communication or training has taken place.

- Relevant WPNs and memos are sent out to the network within a day of release.
- Changes are discussed during our technical calls every two weeks.
- Agencies are contacted individually to discuss how changes can be made.

WHAT PROTOCOLS ARE IN PLACE WHICH ENSURE UNTRAINED STAFF ARE NOT LEFT WITHOUT SUPERVISIONS DURING FIELD OPERATIONS?

Untrained staff does not complete any work without supervision of trained staff. Although it is encouraged to hire certified staff from the network it is not frequently possible, therefore, it is not a requirement for applicants to have certification prior to hiring. Each Subrecipient is required to have a training plan for each job position.

Upon hire, the employee is required to complete the online training curriculum for their position after each agency's individual new employee probationary period. In addition, Subrecipients all have an internal training/shadowing on the job mentoring plan.

Each new staff member is responsible for attending and passing all the courses required for their job category and encouraged to within one year of being hired. MFA watches this process and communicates with the agency about the employee's progress.

For individuals that struggle with language barriers, there are Spanish/English courses available to help the student comprehend the job duties.

Contractor Training

MFA allows the use of T&TA funds to train the staff of contractors who will be working with the program in all applicable job areas, and for both specific and comprehensive categories. This helps ensure that untrained staff is not left unattended at the job sites. Training is not required for contractors but may be a condition of continued work with the program if issues are discovered upon inspection. Agencies must ensure the following is met:

- Retention agreement with contractor as part of the MOU or contract that states a minimum and reasonable number of projects or timeframe set by the agency. These agreements must not exceed one year.
- Agencies must have procurement standards that align with 2 CFR 200. MFA will monitor agencies to their own procurement standards.
- During the procurement process of contractors, agencies must include the training opportunities in their advertisements.
- If contractors are reimbursed for training, the invoice issued must be clear what line items are training and what is other overhead. Agencies must ensure training for the same activity is not billed for more than once.
- All reimbursement policies must be included in the contract and binding agreement with the contractors.
- Contractor completed training certifications must be provided to MFA to ensure all applicable guidelines such as WPN 22-4 are met.
- When agencies are submitting invoices for contractor T&TA reimbursement, the amounts must be in the T&TA category. Contractor invoices for the training must be provide to MFA at the time and must reflect Subgrantee labor rates, or other available data.
- Travel and other expenses must be based on actual costs, GSA per diem rates, or Subgrantee policy rates.
- Agencies must have contractor specific limits for reimbursement.

It is expected that the use of contractors will increase by 200% for HVAC, and installers. The majority of contractor need for training will be field work of installers and HVAC technicians.

It is an allowable expense for contractors to be reimbursed for labor, and other expenses related to training such as mileage and lodging only if the above conditions are met.
PARTNERSHIPS WITH THE STATEWIDE HOME PERFORMANCE INDUSTRY ON TRAINING ISSUES; IF APPLICABLE.

How does analysis conducted, as detailed in Section V.6 of the annual application, influence the development of T&TA activities and priorities?

In order to assess effectiveness, the NM Energy\$mart Online System (System) captures the individual unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the agency in addition to other important details about the unit.

Not only does this screen ineligible costs, but it allows for one and one conversation with the auditor, final inspector, or data entry person that yields opportunities for training that person. Each month, invoicing precipitates conversation between MFA and the agencies that can result in further conversation at technical meetings or training.

This information is useful in that it can compare agency to agency, and auditor to auditor. Though the climatic conditions are vastly different from the northern part of the state to the southern, these comparisons can be helpful in determining weaknesses and individual training needs.

The System also shows the frequency with which each agency and auditor installs individual measures and allows MFA to assess each agency's performance that is not tied to climatic differences.

Reports are discussed during peer exchanges and are helpful for agencies to see the different needs between climates, and how multifamily differs from single family.

The form of desk monitoring will allow for units to be flagged for future inspection if a particular house appears to be a good candidate for inspection and training. All correspondence that results from the desk monitoring yields opportunities for training.

3.0 – WORKFORCE CREDENTIALS

DESCRIBE THE FOLLOWING ASPECTS OF YOUR T&TA PLAN RELATED TO WORKFORCE CREDENTIALS.

FEDERALLY REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- Environmental Protection Agency Lead Renovation, Repair, and Painting Program
- HOME ENERGY PROFESSIONALS QUALITY CONTROL INSPECTOR CERTIFICATION

Installer/Crew Leader

In addition to hiring in house installers and crew leaders, the agencies will be utilizing some contractors for installer duties but will be keeping the crew leaders within the agency staff except for the multifamily provider who may train one contractor for this role.

EPA RRP

Crew Leaders, Energy Auditors, and QCI Inspectors are required to have received and passed the EPA Renovation, Repair and Painting course offered by the academy within timeframes set by each agency.

Recertifications needed: 8

New Certifications needed: 12

Energy Auditor

BPI Energy Auditor is required before obtaining a QCI. We do not require new assessors to successfully pass the tests, however, new assessors must receive the online class upon hire of that position.

Online Energy Auditor

This 36-hour class covers the following topics:

Basic building science, intro to weatherization, basic health and safety, construction details, data gathering, baseload, heating and cooling equipment, diagnostic testing, auditing software and more.

Additional classes that Energy Auditors will take as they progress: OSHA 10, Lead RRP, AHERA for Inspectors, Advanced Auditing Software, Infrared for Home Retrofits.

Students wishing to take the Energy Auditor written exam may take it in person or through remote proctoring. Students taking the BPI EA Field exam usually will have a day of prep at the EnergySmart Academy before their scheduled exam.

The candidate must first complete Building Science Principles and Building Analyst prior to taking the exam and it is recommended prior to enrolling in Energy Auditor courses.

Recertifications needed: 0

New Certifications needed: 5

The network will be employing the promote from within approach and will aim for ten new certifications because of the BIL funding. There has already been one addition. Since this is over a five-year period, the goal for this program year is to obtain three more new certifications utilizing both BIL and 2023-2024 funding allowing NM will have a total of **13** BPI Certified Energy Auditors full time in the weatherization

network by the end of the program year.

Quality Control Inspector

Online Quality Control Inspector Preparation Class

This class covers everything needed to then take the BPI Quality Control Inspector online exam and is 15 hours long. There is an Energy Auditor Certification as a prerequisite for this class.

Recertifications needed: 0

New Certifications needed: 5

There are currently no certified energy auditors that also do not have their QCI in NM. All three agencies practice cross training and the assessor/QCI performs both functions. Therefore, the need for QCI is the same as for energy auditor for program year 2023-2024. The goal is for three or more people to successfully pass this exam after obtaining their Energy Auditor.

<u>OSHA</u>

Recertifications needed: 1

New Certifications needed: 7

GRANTEE/STATE REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- BUILDING PERFORMANCE INSTITUTE BUILDING ANALYST
- **GRANTEE-DEVELOPED CERTIFICATIONS**

Optional certifications will be available for individuals and contractors within the agencies for various installer and crew leader activities. The system outlined below has been developed by the DOE toolkit and the Academy and can be a source of state certifications for weatherization. These badges map exactly to the Field Guide tasks.

1. **MFA** works with each agency to designate one trusted QCI, EA or CL (Grader) at the agency who can approve badges for **Installer** tasks. A Crew Leader who is already working with Installers in the field is the easiest choice.

2. **The Grader** then has a Zoom call or in person meeting with Academy staff, to go over the tasks, work guide and rubrics for grading.

3. While working, once an Installer can successfully complete a task (2-3 times), based on the steps in the visual guide, the **Installer** can ask the **Grader** to evaluate him / her, using the appropriate rubric.

4. **The Grader** will evaluate the task, fill out the grading rubric, then he/she will sign and send to ESA.

5. ESA will then **award a badge** to the candidate. The badge can be shared by email, social media, or downloaded as a certificate.

6. Although contractors who work with the program are encouraged to obtain their full credentials, they have the option of working with agency staff to obtain badges in areas designated by each agency.

SUBRECIPIENT/LOCAL REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

• LICENSING INCLUDING HVAC, ELECTRICAL, CONTRACTOR

All Subrecipients that are not exclusive to working on Native Lands, are required to have contractor licenses issued by the Regulation and Licensing Department of the State of NM for the buildings in which they perform the work. Single family agencies need the GB02, mobile home crossover, and multifamily agencies are required to have the GB98 license.

The mechanical/plumbing licenses (MM04) are optional; however, the agencies have and maintain their mechanical license. Journeyman and electrical licenses should be obtained by the agencies as required.

INDUSTRY REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- EQUIPMENT/MATERIAL MANUFACTURE CERTIFICATION
- VENDOR CERTIFICATION

(E.G. EQUIPMENT/MATERIAL MANUFACTURE CERTIFICATION, VENDOR CERTIFICATION)

No industry credentials are required; however, we are exploring if certifications will be required for specific heat pump installations.

PROCESS FOR MAINTAINING WORKFORCE CREDENTIALS

Subrecipients are responsible for ensuring everyone within their organization maintains each of their earned credentials. As a credential is approaching the expiration date, the individual holding that certification will schedule review classes if necessary and arrange for the recertification process and testing with the testing center that oversees that credential. In most cases that is the Academy. As part of Training Needs Assessments and monitoring, MFA obtains the number of recertifications needed in each category from each agency, names of individuals, and expiration dates. MFA is notified when the credential is successfully renewed.

HOW CREDENTIALS ARE TRACKED

During the annual renewal or RFP period, the Subrecipients are required to provide existing credentials with expiration dates for each person. This is also reviewed during monitoring, discussed during our biweekly calls, and individual ongoing discussion with each agency.

4.0 – TRAINING

GRANTEES HAVE TWO OPTIONS TO DESCRIBE THEIR TRAINING.

- A) Use the embedded spreadsheet* to Identify and describe the training schedule for <u>Grantee and</u> <u>Subrecipient</u> staff. Include technical and non-technical training.
- B) OR Use the fields below to identify and describe the training schedule for Grantee and Subrecipient staff. Include technical and non-technical training.

GRANTEE'S ARE TO INCLUDE THE FOLLOWING IN THEIR DESCRIPTIONS REGARDLESS OF WHAT OPTION IS BEING USED TO DESCRIBE THEIR TRAINING PLAN:

- SPECIFY WHETHER ATTENDANCE IS MANDATORY, AND THE RAMIFICATIONS FOR NON-COMPLIANCE.
- SPECIFY IF THE T&TA PLAN SPANS MULTIPLE PROGRAM YEARS (PY), INDICATE WHICH TRAININGS ARE

Click here to enter text.

INTENDED IN THE CURRENT $\ensuremath{\mathsf{PY}}$ and which are planned for future $\ensuremath{\mathsf{PYs}}$.

* THE EMBEDDED SPREADSHEET, IF COMPLETED AT THE END OF THE YEAR TO RECORD DELIVERED TRAINING, CAN BE USED AS DOCUMENTATION FOR THE REQUIRED ANNUAL T&TA REPORT. DOUBLE CLICK TO OPEN SPREADSHEET. ENTER INFORMATION AND CLOSE. IT WILL AUTOMATICALLY SAVE YOUR INFORMATION

PROGRAMMATIC/ADMINISTRATION TRAINING

- FINANCIAL (I.E. 2 CFR 200)
- MANAGEMENT (I.E. 10 CFR 440)

Financial training

2 CFR 200 training is offered annually or more frequently if requested this training covers how to understand the code, cost allocation plans, indirect costs, and procurement.

Procurement and Program Management

Training made available through the Litmos and EERE websites are encouraged for all new program staff and especially management. MFA will schedule additional procurement training as needed with each or all agencies.

ED2GO will be used by the SFCC to enhance the existing skills of each agency throughout the year.

COMPREHENSIVE TECHNICAL TRAINING ALIGNED TO THE JOB TASK ANALYSIS (IDENTIFY AT WHAT INTERVALS WORKERS WILL RECEIVE REGULAR, COMPREHENSIVE TRAINING AS REQUIRED BY WEATHERIZATION PROGRAM NOTICE (WPN) 15-4)

- QUALITY CONTROL INSPECTOR
- ENERGY AUDITOR
- CREW LEAD
- RETROFIT INSTALLER/TECHNICIAN

Comprehensive training is normally offered when requested by the Energy Smart Academy. Each agency consults with MFA prior to signing up for the classes about what would be most appropriate based off the most recent desk monitoring, monitoring, unit inspections, or phone conversations. The Comprehensive training classes should be determined at least one month prior to scheduling the class. Follow up on agency skills and conversations happen on a continual basis. Agencies must send MFA all certifications obtained from staff and contractors for comprehensive training.

MFA, the Academy and Subrecipients work together to develop a comprehensive training for new individuals as they are hired. As agencies hire new staff, the training centers are contacted to schedule training in their job category. Examples of this include Retrofit, Crew Leader, Building Analyst, Building Science Principles, OSHA 10, Lead Based Paint Installer, and QCI.

In addition to specific course modules, the Academy has the capability of providing Specific training and even additional Comprehensive training as needed to resolve issues from MFA or DOE monitoring. Training that results from a monitoring finding must be completed within the timeframe specified in the monitoring response letter.

The schedule minimizes production downtime and allows sufficient opportunities for Subrecipients to

complete mandatory trainings in a timely manner. The Academy provides classroom space and a wellequipped lab to optimize skills acquisition across all training levels through a combination of lecture, hands on demonstration and field training. The Training Academy is fully equipped with a mobile rig, a diagnostic cabin, and demonstration units for insulation, attic air sealing, mobile home training, combustion appliances and an online training platform. Access to an expanded staff of specialists will allow additional training in OSHA, Lead Renovator/Dust Sampling, and HVAC.

SPECIFIC TECHNICAL TRAINING

- TOPICS IDENTIFIED DURING MONITORING VISIT(S)
- ENERGY MODELING
- HEALTH & SAFETY. ALL H&S TOPICS IN WPN 22-7 REQUIRE SOME LEVEL OF TRAINING FOR ALL AFFECTED WORKERS, THE FREQUENCY OF THIS TRAINING IS A GRANTEE DECISION. EXAMPLES INCLUDE:
 - AIR CONDITIONING AND HEATING SYSTEMS
 - Asbestos
 - BIOLOGICALS AND UNSANITARY CONDITIONS
 - BUILDING STRUCTURE AND ROOFING
 - CODE COMPLIANCE
 - COMBUSTION GASES
 - O ELECTRICAL
 - FORMALDEHYDE, VOLATILE ORGANIC COMPOUNDS (VOCS), FLAMMABLE LIQUIDS, AND OTHER AIR POLLUTANTS
 - O FUEL LEAKS
 - O GAS RANGE/OVENS
 - HAZARDOUS MATERIALS DISPOSAL
 - INJURY PREVENTION OF OCCUPANTS AND WEATHERIZATION WORKERS
 - O LEAD BASED PAINT
 - EPA's Lead Renovation, Repair & Painting Program (RRP)Mold/Moisture
 - O PESTS
 - O RADON
 - O SAFETY DEVICES
 - O VENTILATION AND INDOOR AIR QUALITY
 - AMERICAN SOCIETY OF HEATING REFRIGERATION AND AIR-CONDITIONING ENGINEERS (ASHRAE)
 - WINDOW REPAIR, DOOR REPAIR
 - O WORKER SAFETY
 - OSHA
 - Additional topics as described in Health & Safety Plan
- CLIENT EDUCATION (TRAINING WORKERS TO CONDUCT CLIENT EDUCATION). EXAMPLES INCLUDE:
 - ENERGY SAVINGS STRATEGIES
 - PROGRAM-SPECIFIC INFORMATION. EXAMPLES INCLUDE:
 - WHAT TO EXPECT
 - Additional resources
 - O HEALTH & SAFETY ISSUES

Specific trainings offered:

Electrification Hands on Lab

CONFERENCES, EXAMPLES INCLUDE:
Transitioning to Supervisor
Project Management
Basic academic skills offered through Litmos.
Administrative and Business Training
Version 10 Weatherization Assistant Online
Building Science Principles
Utility Analysis
Solar offered through Interplay
Health Home Evaluator
Radon
Plumbing offered through Interplay.
Residential Construction offered through Interplay.
Electrical training offered through Interplay.
Electrician Training
HVAC
AHERA (Asbestos)
Ride-Alongs for all job tasks
Lead RRP
OSHA 10 hours for Construction, OSHA 30 for Construction
Infrared Thermography
Cold Climate Air Source Heat Pump installation and design

CONFERENCES. EXAMPLES INCLUDE:

- ENERGY OUT WEST
- BUILDING PERFORMANCE ASSOCIATION
- NATIONAL ASSOCIATION FOR STATE AND COMMUNITY SERVICE PROVIDERS
- COMMUNITY ACTION PARTNERSHIP

NASCSP, HPC, and Energy Out West conferences are allowable trainings under the NM Energy\$mart Program. Agencies must use their Specific training budget for these conferences. Agencies may be limited on the amount of funds available for the conferences because of the Comprehensive majority requirement, and possible mandatory ride alongs resulting from unit inspections. Therefore, it is important that each agency carefully consider what staff will be attending each conference and which conference will be most beneficial for the particular individuals attending.

Conference training can be made available to contractors only after the agency has given an opportunity to all in-house staff to attend and there are specific T&TA funds remaining for that agency. Contractors will follow the same protocol as the agency staff if T&TA funds are used and will be required to fully attend each session available.

Since this is a highly sought after use of training funding, it is considered a valuable commodity. Agencies are expected to obtain the full use of information gathered from the conferences. This includes attendance to all classes, updates, and sessions in addition to utilizing as much networking with other states as possible. Agencies must submit a list to MFA of who will be attending each conference and a statement that each individual will attend all classes that he or she has selected. No conference reimbursements will be released without proof of all class attendance. If an individual chooses not to attend a class or does not obtain the necessary proof of attendance, the agency may not receive full reimbursement for that individual. T and TA funds may not be used to pay for anyone attending a conference that does not attend the accompanying classes or sessions. If conference activities such as hotel and flight costs have been paid for in advance by MFA and an individual is unable to attend the classes offered by the conference, MFA will not ask for reimbursement of those costs from the agency if there is justification for missing the classes.

OTHER, PLEASE SPECIFY:

5.0 – TECHNICAL ASSISTANCE DESCRIBE THE TECHNICAL ASSISTANCE ACTIVITIES INCLUDED IN THE T&TA BUDGET CATEGORY. PROGRAMMATIC/ADMINISTRATION SUPPORT

In addition to the Training Program, MFA meets with Subrecipients regularly throughout the year to discuss emergent issues. This type of communication helps maintain consistency in the services provided throughout the state. Each of these meetings will serve a core group of the weatherization workforce, in addition to including a gathering of program directors to discuss the program. These meetings will include a Program Director round table and, when necessary, staff discussion covering a specific topic, including fiscal, administrative, technical intake and client education issues. The goal of the program is to have two in person peer exchanges and numerous virtual meetings with all agencies.

Agencies reach out to MFA on a regular basis with administrative questions. It is our practice to provide accurate answers within a timely manner to prevent mistakes and keep production flowing.

Agency to agency peer exchanges is allowable provided MFA approves the purpose and amount of T&TA used.

TECHNICAL SUPPORT

The NM Energy\$mart program has a Technical Committee which meets twice a month. The committee is composed of lead technical weatherization staff from each of the Subrecipients, MFA's Energy\$mart staff and the training academy staff. The purpose of the Technical Committee is to identify challenges and share best practice among the agencies.

NM has been reaching out to other states with similar climates for the purpose of state-to-state peer exchanges. This will be considered specific training and will involve mostly technical and some program staff from participating agencies.

Web-Based NEAT and MHEA Transition

We are hoping to be fully transitioned during the beginning of the program year.

There will be constant oversight from MFA's Program Managers during the first few months that will start off as training and consulting and end up being a portion of monthly desk monitoring.

HEALTH & SAFETY SUPPORT ACTIVITIES

Health and Safety is continuously assessed and discussed throughout the year during monthly technical calls, desk monitoring, and unit inspections. Dialogue also takes place on an as needed basis between the field staff and MFA's technical managers (AKA Green Initiative Managers) with health and safety questions, comments or issues noticed from monthly reporting or day to day routine assessments. All this communication can result in Comprehensive or Specific training that can be anything from structured classroom setting to "ride alongs" where the instructor accompanies the crew on an actual job site.

At any point if an agency or individual feels more health and safety training is needed, MFA and the agency will work together to find the soonest viable option for that request.

All Subrecipient field staff will be required to complete OSHA 10 training within the first six months of employment. These courses will be construction safety courses configured to weatherization through use of Job Hazard Analysis and existing accident and injury logs of the Subrecipients. If contractors do not have their OSHA certifications, these courses will be made available to them.

When agencies are monitored, both the Health and Safety of the agency culture for staff is examined and the health and safety practices for the clients. This includes desk monitoring and day to day interactions with the agencies.

MONITORING

WHAT PERCENTAGE OF **T&TA** FUNDING IS ALLOCATED TO MONITORING? (IF DEFINED IN SECTION B OF THE BUDGET DETAILS WITHIN THE ANNUAL APPLICATION, INCLUDE THAT WITHIN YOUR DESCRIPTION BELOW.)

Administration funds used for monitoring is \$1<mark>4,783</mark> and will be 5<mark>4 %</mark> of the monitoring budget. T and TA funding used will be \$10,311 for monitoring.

OTHER, PLEASE SPECIFY

DESCRIBE OTHER TECHNICAL ASSISTANCE ACTIVITIES HERE

6.0 CLIENT EDUCATION

DESCRIBE WHAT CURRENT AND PLANNED CLIENT EDUCATION MATERIALS AND/OR ACTIVITIES ARE INCLUDED IN THE **T&TA** BUDGET CATEGORY. ONLY THOSE PAID FOR WITH **T&TA** FUNDS NEED TO BE MENTIONED.

NOTE: THIS DOES NOT INCLUDE TRAINING WORKERS TO DELIVER CLIENT EDUCATION. THIS SHOULD BE DESCRIBED IN THE TRAINING SECTION, ABOVE.

CLIENT EDUCATION ACTIVITIES PRIOR TO, DURING AND AFTER WEATHERIZATION WHICH ADDRESS THE WEATHERIZATION PROCESS AND ENERGY SAVINGS DETAILS

In tandem with a well-trained workforce, a well-informed consumer will help make best choices in

maximizing effect of weatherization measures. Understanding measures to be implemented at a home is key to garnering homeowner and occupant cooperation during installation and afterward.

The SWS has been thoroughly examined for all client education points. A list of all sections that specifically spell out what needs to be delivered to the clients has been given to the Subrecipients and the Subrecipient utilization of these topics are currently part of what monitoring, and unit inspections include.

CLIENT EDUCATION ACTIVITIES REGARDING H&S ISSUES AS INDICATED IN WPN 22-7

- AIR CONDITIONING AND HEATING SYSTEMS
- Asbestos
- BIOLOGICALS AND UNSANITARY CONDITIONS
- BUILDING STRUCTURE AND ROOFING
- CODE COMPLIANCE
- COMBUSTION GASES
- ELECTRICAL
- FORMALDEHYDE, VOLATILE ORGANIC COMPOUNDS (VOCS), FLAMMABLE LIQUIDS, AND OTHER AIR POLLUTANTS
- FUEL LEAKS
- GAS RANGE/OVENS
- HAZARDOUS MATERIALS DISPOSAL
- INJURY PREVENTION OF OCCUPANTS AND WEATHERIZATION WORKERS
- LEAD BASED PAINT
- EPA's Lead Renovation, Repair & Painting Program (RRP)Mold/Moisture
- o Pests
- RADON
 - AGENCIES MUST FOLLOW WPN 22-7 AND EXPLAIN POTENTIAL RISK OF INCREASING RADON LEVELS WHEN BUILDING TIGHTNESS IS IMPROVED, PROVIDE A LIST OF PRECAUTIONARY MEASURES, WEATHERIZATION BENEFITS, AND CONFIRM THAT "A CITIZEN'S GUIDE TO RADON" WAS RECEIVED.
- SAFETY DEVICES
- VENTILATION AND INDOOR AIR QUALITY
 - AMERICAN SOCIETY OF HEATING REFRIGERATION AND AIR-CONDITIONING ENGINEERS (ASHRAE)
- WINDOW REPAIR, DOOR REPAIR
- O WORKER SAFETY
 - OSHA
- Additional topics as described in Health & Safety Plan
- O USE OF HEAT PUMP

Health and safety client education is provided by the intake staff, the energy auditor, the crew leader, installers, and final inspectors of the program. Everyone covers different areas and, in many cases, overlap with each other depending on the client needs and level of understanding. The following list are topics that may be covered during client education:

- Lead Based Paint every home.
- Suspected asbestos containing materials.
- Radon- every home must receive notification.

- Combustion venting
- Carbon monoxide- almost every home
- Mold and mildew
- Plumbing and gas leaks
- Pests
- Existing air quality issues
- Electrical hazards
- Kitchen range safe use
- Dryer lint trap cleaning of 1/4" mesh
- ASHRAE fan use- most homes
- COVID-19 as needed.
- Heat pump operation and use- In addition to providing basic training for clients that receive heat pumps, we will be training select members of the Mescalero Tribe to maintain and troubleshoot problems with heat pumps for a long term 125 home project.

Multifamily clients are provided education through the property management that has received it from the agency.

Weatherization Grantee Health and Safety Plan New Mexico Health and Safety Plan

☑ POLICY SUBMITTED WITH PLAN

1.0 – GENERAL INFORMATION

Grantees are encouraged to enter additional information here that does not fit neatly in one of the other sections of this document.

2.0 – BUDGETING

Grantees are encouraged to budget Health & Safety (H&S) costs as a separate category and, thereby, exclude such costs from the average cost per unit cost (ACPU) limitation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. Grantees are reminded that, if H&S costs are budgeted and reported under the program operations category rather than the H&S category, the related H&S costs must be included in the calculation of the ACPU and cost-justified through the approved energy audit.

Select which option is used below.

Separate Health and Safety Budget 🗹

Contained in Program Operations

3.0 – Health and Safety Expenditure Limits

Pursuant to <u>10 CFR 440.16(h)</u>, Grantees must set H&S expenditure limits for their Program, providing justification by explaining the basis for setting these limits and providing related historical experience.

Low percentages should include a statement of what other funding is being used to support H&S costs, while larger percentages will require greater justification and relevant historical support. It is possible that these limits may vary depending upon conditions found in different geographical areas. These limits must be expressed as a percentage of the ACPU. For example, if the ACPU is \$5,000, then an average expenditure of \$750 per dwelling would equal 15 percent expenditures for H&S.

15 percent is not a limit on H&S expenditures but exceeding this amount will require ample justification. These funds are to be expended by the Program in direct weatherization activities. While required as a percentage of the ACPU, if budgeted separately, the H&S costs are not calculated into the per-house limitation. DOE strongly encourages using the table below in developing justification for the requested H&S budget amount. Each H&S measure the Grantee anticipates addressing with H&S funds should be listed along with an associated cost for each measure, and by using historical data the estimated frequency that each measure is installed over the total production for the year.

It is also recommend reviewing recent budget requests, versus expenditures to see if previous budget estimates have been accurate. The resulting "Total Average H&S Cost per Unit" multiplied by the Grantee's production estimate in the Annual File <u>should</u> correlate to the H&S budget amount listed in the Grantee's state plan.

Should a Grantee request to have more than 15 percent of Program Operations used for health and safety purposes, DOE will conduct a secondary level of review. DOE strongly encourages use of this H&S template and matrix to help expedite this process.

WPN 22-7 reinforces the requirement that all H&S expenditures are documented in each client file with the specific reason, cost, and funding source and clarifies that client education materials and H&S related training are not allowable H&S expenses but are Training and Technical Assistance budget items.

Agencies are expected to budget for health and safety funds to allow for all allocated units within the program year to receive weatherization. Agencies must keep their per unit average for health and safety below \$1,687.00. For health and safety costs that are estimated to be greater than \$3,500, agencies must obtain prior approval from MFA prior to proceeding with work.

4.0 – INCIDENTAL REPAIR MEASURES

If Grantees choose to identify any H&S measures as incidental repair measures (IRMs), they must be implemented as such under the Grantee's weatherization program in all cases – meaning, they can never be applied to the H&S budget category. In order to be considered IRMs, the measure must fit the following definition and be cost justified along with the associated efficiency measure.

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program. (<u>10 CFR 440 "Definitions"</u>)

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials.

Incidental repairs include:

- Glass replacement
- Door Replacement
- Structural repairs to maintain the integrity of weatherization materials.
- Skirting for mobile homes
- Flue and venting replacement
- Dryer vents
- T and P for water heaters
- Fuel supply line repair
- Electrical repairs
- Modifications to allow for condensing furnace drainage.
- Minor roof repair <12 square feet
- Cover for evaporative coolers.
- Lock latch
- Wall repair
- Electrical costs for fan installation
- Thermostats
- Electrical panel upgrade for heat pumps

Health and safety measures may be listed as incidental repair only if the entire building still receives an SIR of 1 and this decision may not be made in the field. Incidental repairs are included in the per unit cost limitation and must be cost justified with the SIR for the package of measures. If incidental repairs are so exhaustive that the building no longer receives a cumulative SIR of 1, the agency may use weatherization readiness funds for the item that causes the high costs of IR.

General heat waste measures are included in the energy audit as itemized costs and do receive an SIR above 1.

Items that have the potential of receiving an SIR on their own such as doors, must be run as an ECM first. When the item is not cost effective, then it must be run under air sealing if it would normally be an incidental repair to air sealing. Otherwise, the item may be run as an incidental repair if the entire home receives an SIR above 1. For all HVAC units, the agencies must run the item as an ECM first and exhaust all potential eligible leveraged funding sources to determine if an SIR of 1 is achieved prior to using H&S funds.

5.0 – DEFERRAL/REFERRAL POLICY

Deferral of services may be necessary if H&S issues cannot be adequately addressed according to WPN 22-77 guidance. The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are found. If, in the judgment of the auditor, any conditions exist which may endanger the health and/or safety of the workers or occupants, the unit should be deferred until the conditions

are corrected. Deferral may also be necessary where occupants are uncooperative, abusive, or threatening. Grantees must be specific in their approach and provide the process for clients to be notified in writing of the deferral and what conditions must be met for weatherization to continue. Grantees must also provide a process for the client to appeal the deferral decision to a higher level in the organization.

Grantee has developed a comprehensive written deferral/referral policy that covers both H&S, and other deferral reasons?

Yes 🗹 🛛 No 🗖

Where can this deferral/referral policy be accessed?

The Administration Manual, Section 6. This resides on the Grantee website and is also distributed to the Service Providers annually or when there are updates.

6.0 – HAZARD IDENTIFICATION AND NOTIFICATION FORM(S)

Documentation forms must be developed that include at a minimum: the client's name and address, dates of the audit/assessment and when the client was informed of a potential H&S issue, a clear description of the problem, a statement indicating if, or when weatherization could continue, and the client(s) signature(s) indicating that they understand and have been informed of their rights and options.

Documentation Form(s) have been developed and comply with guidance?

Yes 🗹 🛛 No 🗖

7.0 – HEALTH AND SAFETY CATEGORIES

For each of the following H&S categories identified by DOE:

- Explain whether you concur with existing guidance from WPN 22-77 and how that guidance will be implemented in your Program, if you are proposing an alternative action/allowability, or if the identified category will not be addressed and will always result in deferral. Alternatives must be comprehensively explained and meet the intent of DOE guidance.
- Where an Action/Allowability or Testing is "required" or "not allowed" through WPN 22-77, Grantees must concur, or choose to defer all units where the specific category is encountered.
- "Allowable" items under WPN 22-77 leave room for Grantees to determine if the category, or testing, will be addressed and in what circumstances.
- Declare whether DOE funds or alternate funding source(s) will be used to address the particular category.
- Describe the explicit methods to remedy the specific category.
- Describe what testing protocols (if any) will be used.
- Define minimum thresholds that determine minor and major repairs.
- Identify minimum documentation requirements for at-risk occupants.
- Discuss what explicit steps will be taken to educate the client, if any, on the specific category if this is not explained elsewhere in the Plan. Some categories, like mold and moisture, require client education.
- Discuss how training and certification requirements will be provided for the specific category. Some categories, like Lead Based Paint, require training.
- Describe how occupant health and safety concerns and conditions will be solicited and documented.

Grantees may include additional H&S categories for their particular Programs. Additional categories must include, at a minimum, all of the same data fields as the DOE-provided categories. Two additional tables have been created to utilize.

7.1 – Air Conditioning and Heating Systems					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance 🗹	Alternative Gu	idance 🛛	Results in Deferral		
Air Conditioning l	Jnallowable Measure	Heating Unall	owable Measure 🛛		
	Fund	ling			
DOE 🗹 LIHEAP 🗹	State 🗹	Utility 🗹	Other 🗹		
How do you address upsafe or non-functioning primary beating/cooling systems?					

Heating Systems

All homes must contain a safe, operable, primary heating system for the entire dwelling unit after weatherization is complete.

System repair, replacement, or installation is allowed of red-tagged, inoperable, or nonexistent heating systems in all climate zones. • Manual J must be used for sizing of the equipment when replacing.

- Flue and chimney inspection for code
- Complete testing consistent with the NM Technical Standards testing protocol within the CAZ.
- Depressurization consideration in conjunction with other combustion appliances in worse case and natural conditions.
- Inspection and testing procedures for solid fuel appliances (i.e., woodstoves and fireplaces) inlcude requirement that Grantees have specific testing policies and action levels.
- Solid fuel burning appliances must:
 - Adhere to local code including the venting.
 - Include a CO alarm installed in the combustion zone.
 - Client education and danger signs of what to do if the alarm were to sound.
 - Worst case CAZ depressurization testing
 - \circ $\;$ Be simulated at 300 CFM for worse case testing of other appliances.
 - Replacement is allowed for primary units but not secondary units.
- Repair and replacement of inoperable or unsafe combustion appliances is allowed, including the installation of directvent, sealed combustion appliances.
 - Repair and cleaning should be done before replacement is considered.
 - \circ \quad Proper venting to the outdoors, including gas dryers is required.
 - Correction of venting is allowed when testing or visual inspection indicates a problem.
 - This may be listed under incidental repair when it meets the definition of WPN 12-9.
- No work is permitted if the completed unit's primary heat source is an unvented gas heater. Replacement with a vented unit is an allowable H & S expense.
 - Unit must be sized to heat entire dwelling unit. And comply with the audit requirements of 10 CFR 440.21 (e) (2)
- **Building permits must be secured and other applicable building codes followed for all space heater work**. This is considered a program operation cost per 17-7 Attachment A.

All fuel-burning appliances in mobile homes, except ranges, ovens, illuminating appliances, clothes dryers, solid fuelburning fireplaces and solid fuel-burning stoves, must be installed to provide for the complete separation of the combustion system from the interior atmosphere of the manufactured home (i.e., to draw their combustion air from outside).

• Masonry chimneys used by vented space heaters will be properly lined in compliance with the International Fuel Gas Code (IFGC). New equipment must meet local code requirements.

Cooling Systems

Air conditioning system replacement, repair, or installation is allowed in homes of at-risk occupants or where climate conditions warrant. Climate conditions that would warrant this allowance are areas that have an average of 800 CDDs or higher using a base 70. If weather data is unavailable the agency must use the weather file or data that most closely resembles the climate of the potential replacement. For other towns or areas with less than 800 CDD, medical eligibility from a third-party medical professional proving at risk is required for any occupant.

At risk occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns. The cooling system must be run as an ECM first to determine if the unit is cost effective and Manual J must be used for the sizing of equipment.

Service Providers must provide T&TA to clients when installing a cooling unit when no previous unit existed.

An example statement of medical eligibility:

Re: Air Conditioner Replacement or Installation

Name: ______, DOB: _____, age _____ years, is a patient under my care. S/he has a respiratory condition that increases her/his risk for heat-related illness during a heat wave.

As her/his health care provider, I strongly advise that s/he use an air conditioner at home during a heat wave to prevent serious heat-related illness and possibly death. If you have any questions or concerns, please feel free to contact me.

now ao y	ou address unsafe or non-functioning secondary heating systems, Including unvented secondary space heaters?
0	Secondary unvented units must conform to the safety standards of ANZI Z21.11.2 and must not
	have an input rating in excess of 40,000 Btu/hour. Replacement is not allowed, however the unit
	may be repaired, removed, or rendered inoperable. Deferral is required if this is not possible.
	 Must not be located in, or obtain combustion air from sleeping rooms, bathrooms, toilet
	rooms, or storage closets except:
	 One listed wall-mounted space heater in a bathroom or bedroom if permitted by
	the authority having jurisdiction and:
	 Does not have an input rating exceeding 6,000 Btu/hour for bathroom
	and not exceeding 10,000 Btu/hour for bedroom.
	 Equipped with an oxygen-depletion sensing safety shut-off system.
	Bathroom or bedroom have adequate combustion air.
0	No unvented combustion appliances may remain, even as secondary units, in manufactured
	homes.
	Indicate Documentation Required for At-Risk Occupants
	ine at risk, the client must show medical provider proof in the form of test results or letter
escribing	respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk
escribing	respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk dical provider.
escribing y the me	respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk
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escribing y the me esting pro esting ind • Cc • Flu • Te • Sta • Lir • Ga • Flu • Cc • Sp	respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk dical provider. Testing Protocols botocol is described in the NM Technical Standards pages 98-109. ludes at minimum: mbustion gases (carbon monoxide, oxygen, etc.) under worse case, the temperature, mperature rise, atic pressure, nit switch, s pressure test, s leaks, le condition, mbustion air supply, illage under worse case,
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escribing y the me esting pro esting ind • Cc • Flu • Te • Sta • Lir • Ga • Flu • Cc • Sp • Eff • Bla • Rc	respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk dical provider. Testing Protocols btocol is described in the NM Technical Standards pages 98-109. ludes at minimum: mbustion gases (carbon monoxide, oxygen, etc.) under worse case, le temperature, mperature rise, attic pressure, nit switch, s pressure test, s leaks, le condition, mbustion air supply, illage under worse case, iciency, ower speed where applicable, om to room balancing,
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Client Education

Clients are educated on the existing levels and dangers of CO, maintenance needs, basic operation, air blocking, disposal of bulk fuel tanks, how to recognize depressurization, and thermostat use. It the assessor determines a client is unable to use a thermostat, then it will not be installed. Clients must receive information in writing describing reasons for deferral if deferral is the only option. A copy of this must be kept in the client file.

When heat pumps are used as a health and safety heating fuel switch, and the clients are utilizing evaporative cooling, they must sign off on a form stating their understanding that the electric bills may increase if the heat pump is used in addition to or instead of an evaporative cooler. Clients must be informed that the heat pump does not feel the same as an evaporative cooler when used. Agencies will explain to the clients that windows are not to be left open when the heat pump is in use, and to keep the thermostat at a constant temperature.

Training

Energy Auditor, Crew Leader, QCI as comprehensive training and specified HVAC classes as needed. All HVAC installers must have a New Mexico MM 03 or MM 98 for multifamily license.

All agencies will be required to have field staff receive training on cold climate air source heat pumps and must achieve an EPA 608 certification for heat pump installation.

7.2 - Asbestos - All

What is the blower door testing policy when suspected Asbestos Containing Material (ACM) is identified?

Blower door should be done with pressurization only. If friable asbestos is suspected, blower door testing will not be allowed. All energy auditors must be able to identify friable asbestos. Abatement is not allowed.

7.2a – Asbestos - in siding, walls, ceilings, etc.					
	(Concurrence, Alterna	ative, or Deferra	I	
Concurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆					
		Fundir	ng		
doe 🗖	LIHEAP 🗹	State 🗖	Utility 🗖	Other 🗹	
How do you a	address suspected ACN	Л's in siding, walls, o	or ceilings that w	vill be disturbed through t	the course
		of weatherizat	ion work?		
If ACM is susp	ected within the walls,	ceilings or siding, the	e energy auditor	must determine if the ma	aterial is
friable and if t	here will be disturband	e of that material du	iring weatheriza	tion work. Blower door te	sting will
not be allowed	d if the substance is fria	able. If the ACM will	be disturbed, th	e cost of using a licensed	
professional m	nust be included in the	cost of that measure	e. If the cumulat	ive SIR for the home is un	der 1, the
home must be deferred. It is recommended to drill through the interior when possible to avoid any					
disturbance of ACM. Siding may be removed and reinstalled if the siding is in good condition.					
		Testing Pro	otocols		
Inspect exterior wall, ceiling and other surface and subsurface for asbestos siding prior to drilling or cutting.					
Agencies will assume asbestos is present when suspect and defer the unit unless testing proves otherwise.					
Testing is an allowable H&S expense and must be collected by a certified tester.					
Client Education					
Inform the client that suspected asbestos siding is present and what precautions will be needed, and what					
the test result	s show. This must be d	one in writing, and if	tests are condu	cted, the client must be n	otified of
results.					
	Tr	aining and Certificat	ion Requiremen	its	

Safe practices for siding removal and replacement are part of installer training. How to identify asbestos containing materials is part of energy auditor training. ACME provides asbestos AHERA Training Course and is required for all energy auditors.

7.2b – Asbestos - in vermiculite					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance ☑ Alternative Guidance □ Results in Deferral □					
Funding					
DOE ☑ LIHEAP ☑ State □ Utility □ Other ☑					
How do you address suspected ACMs in vermiculite that will be disturbed through the course of weatherization work?					
When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos, such as not using blower door tests and utilizing personal air monitoring while in attics. Proper respiratory protection must be used while in areas containing asbestos. Blower door testing of any kind will not be allowed when vermiculite is present. Encapsulation by an appropriately trained asbestos control professional is allowed. Removal is not allowed.					
Testing Protocols					
Assess whether vermiculite is present. Asbestos Hazard Emergency Response Act of 1986 (AHERA) certified prescriptive sampling is allowed by a certified tester.					
Client Education					
Clients should be instructed not to disturb suspected asbestos containing material. Asbestos safety information should be provided to the client. Formally notify client if test results are positive for asbestos and signed by the client. Client must receive in writing that conditions must be met prior to any weatherization activities.					
Training and Certification Requirements					
Auditors are required to have Energy Auditor training on how to recognize vermiculite, AHERA or other appropriately trained/certified asbestos control professional training for encapsulation.					
7.2c – Asbestos - on pipes, furnaces, other small, covered surfaces					
Concurrence, Alternative, or Deferral					
Concurrence with GuidanceAlternative GuidanceResults in Deferral					
Eunding					
Funding DOE I LIHEAP I State I Utility I Other I					

How do you address suspected ACM's (e.g., pipes, furnaces, other small surfaces) that will be disturbed through the course of weatherization work?

Assume asbestos is present in covering materials. When friable asbestos is suspected, blower door testing will only be allowed after encapsulation by a trained professional. Removal may be allowed by an AHERA asbestos control professional on a case-by-case basis.

H&S costs directly associated with testing and encapsulation. Removal is not allowed.

Testing Protocols

After ACM is assessed for presence, AHERA testing, and collection is allowed by a certified tester.

Client Education

Clients should be instructed not to disturb suspected asbestos containing material. Asbestos safety information should be provided to the client. Formally notify client if test results are positive for asbestos and signed by the client. Client must receive in writing that conditions must be met prior to any weatherization activities.

Training and Certification Requirements

AHERA course for testing and asbestos control professional training for abatement. This includes how to identify asbestos containing materials and what constitutes friable asbestos.

7.5 – Biologicals and Unsanitary Conditions

(odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.)

Concurrence, Alternative, or Deferral

Concurrence with Guidance \square Alternative Guidance \square				Results in Deferral 🛛		
Unallowable Measure						
Funding						
DOE 🗹	LIHEAP 🗹	State 🗖	Utility 🛛	Other 🗹		

What guidance do you provide Subgrantees for dealing with biological and/or unsanitary conditions in homes slated for weatherization?

Remediation of conditions that may lead to or promote biological concerns and unsanitary conditions is allowed, however, addressing bacteria and viruses is not an allowable cost. Agencies must contact MFA for the use of Weatherization Readiness Funds prior to issuing a deferral. If all options are exhausted, deferral may be necessary in cases where a known agent is present in the home that may create a serious risk to occupants or weatherization workers that cannot be mitigated. This is like Mold and Moisture guidance in section 7.16.

Testing Protocols

Sensory inspection, visual inspection, client feedback.

Client Education

Inform client of observed conditions. Provide information on how to maintain a sanitary home and steps to correct deferral conditions.

Training

Agencies are trained as part of energy auditor and crew leader training in addition to field training on how to recognize conditions and when to defer. Worker safety when coming in contact these conditions is a huge priority.

7.6 – Building Structure and Roofing

Concurrence, Alternative, or Deferral							
Concurrence with Guidance	ncurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆						
		Funding					
DOE 🗹 LIHEAP	P⊠ State	□ Utility	□ Other ☑				
What guidance do yo	u provide Subgrante	es for dealing with s	tructural issues (e.g., roofing, wall,				
	foundation) in ho	mes slated for weatl	herization?				
issues before deferring a ur	nit. NM now has fund encouraged to defer	ding sources available as little as possible.	ces available to remedy rehabilitation e such as CSLRF that can address many of DOE Health and Safety funds will not be an.				
How do you define "mi	nor" or allowable st	ructure and roofing r	epairs, and at what point are repairs				
	considered beyon	nd the scope of weat	herization?				
12 square feet as is the maximum allowed for minor repair and the threshold for Weatherization Readiness or deferral for all homes except for flooring in mobile homes. The threshold for mobile home flooring is 32 square feet. Circumstances that warrant exceeding these thresholds will be considered on a case-by-case basis. An agency generated waiver to MFA will need to be first obtained with adequate justification. Repairs that are needed and can't be remedied through the use of other funding sources, Weatherization Readiness, or eligible activities listed within this plan must result in the unit being deferred. If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-							
specific audit required?							
Site built audits will be used at any point there will be ECMs that the priority list does not cover. Site built							
audits may be run to deterr	nine the cumulative	SIR of a building if it i	is reasonable for the assessor to believe				
the incidental repairs are extensive enough to warrant that action.							
Client Education							
The agency is to notify client of structurally compromised areas. The proper steps for the client to take in order for weatherization work to occur plus how to prevent future deterioration is communicated to the client verbally and in writing.							
Training							
Code compliance, energy auditor, crew leader, and installer, specifically how to identify structural and roofing issues. Carpentry through Interplay is available to agencies for basic understanding of structural issues.							
		Codo Compliano					
		Code Compliance e, Alternative, or Def					
Concurrence with Guidance		ative Guidance	Results in Deferral				
	Allellia						
		Funding					
DOE 🗹 LIHEAP	☑ State		☑ Other ☑				

What guidance do you provide Subgrantees for dealing with code compliance issues in homes receiving weatherization measures?

Correction of pre-existing code compliance issues is not an allowable cost *other* than where weatherization measures are being conducted. State and local (or jurisdiction having authority) codes must be followed while installing weatherization measures. Condemned properties and properties where "red tagged" health and safety conditions exist that cannot be corrected under this guidance should be deferred if other funding sources or Weatherization Readiness cannot be used.

What specific situations commonly trigger code compliance work requirements for your network? How are they addressed?

The most common code compliance triggers are electrical issues, electrical upgrade for mini-splits, water heater and heating system replacements. Code compliance determined by the state inspectors for each item must be adhered to when replacing any mechanical appliance. These issues are addressed by obtaining a proper permit, replacing the unit, or conducting the work to code, and requesting inspection after work is complete.

The specific code must be sited and written clearly in the client file.

Client Education

Inform client of observed code compliance issues. If deferral is necessary, information must be provided in writing that describes the conditions that must be met for weatherization to begin.

Training

Code compliance for auditors. All field crew are trained as to when to contact the licensed contractor for that agency with code questions.

7.8 – Combustion Gases						
	Concurrence, Alternative, or Deferral					
Concurrence	Concurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆					
		Func	ling			
DOE 🗹 LIHEAP 🗹 State 🗆 Utility 🗆 Other 🗆			Other 🗖			
	Testing Protocols					

- The following health and safety measures must be performed on all combustion appliances of weatherized homes. Staff must be training to simulate and recognize worse case depressurization when testing combustion equipment. These are performed at the assessment level, work in progress end of day, and quality control final inspection.
- Homes may not be left in an unsafe condition due to appliance failure of any kind.
 - Measurement of **ambient carbon monoxide** concentrations should be done. If any ambient level of CO **above 9 ppm** is found, the source must be identified, and the problem corrected.
 - The energy auditor should enter the dwelling with their CO measurement instrument running so that they can check the ambient CO concentration throughout the dwelling. An ambient air test for CO should be taken on coal, wood, unvented heaters and gas cook stoves.
 - A CO test of undiluted flue gases must be done on all vented combustion appliances in worse case depressurization where applicable. If a CO level above 100 ppm as measured is found in the undiluted flue gas sample, corrective action must be taken to reduce the CO to acceptable levels. If readings are detected above the minimum levels, no weatherization work is to be done until the problem is corrected.
 - A gas leak detection test must be taken on all natural and LP gas appliances and supply lines.
 All gas leaks must be repaired before any work is done.
 - **Spillage** on all vented natural gas, LP gas and oil appliances must be performed under **worstcase depressurization** conditions to ensure adequate venting.
 - An **inspection of the vent system** must be completed to ensure that the proper size and type of pipe is used, the condition of the vent pipe is satisfactory, the clearance meets applicable codes, and the vent system is unobstructed.
 - **Identify** the **combustion air source** and make sure it is unobstructed and sufficient, as defined by NFPA code.
- Replacement is an allowable H&S measure if unsafe conditions whose remediation is necessary to perform weatherization and the appliance run through the energy audit to determine if it can be justified as an ECM measure.
- Documentation justifying replacement with a cost comparison between replacement and repair must be maintained in the client file.
- A detailed description of these tests can be found in Section 1200 of the NM Energy\$mart Technical Standards.
- The local agency is responsible for any potential health and safety problems that will be compounded if prescribed conservation measures are installed. For example, if a furnace is emitting unacceptable levels of CO, it is likely that tightening the home would increase the problem. Therefore, this problem must be fixed before any air sealing is completed.

How are crews instructed to handle problems discovered during testing, and what are the specific protocols for addressing hazards that require an immediate response?

Emergency Situations, Immediate Follow-up Required

Some safety problems may warrant discontinuing the combustion appliance testing or shutting off the appliance until the repairs can be made. Whenever a technician questions the safety of a situation, they should consult a supervisor. The local natural gas or propane supplier should be called in whenever possible. Examples of this type of situation are:

1. Propane or natural gas leak: Propane can be smelled more than three feet from the leaking fitting or verified by gas tester.

2. Clogged or disconnected flue: A clogged or disconnected flue that cannot be fixed, causing significant spillage of combustion products into a heated space or working area of the technician.

3. Back drafting or significant spillage: Any back drafting of combustion products in combination with carbon monoxide indications, which cannot be fixed.

4. Cracked furnace heat exchanger: Any visually identified cracked heat exchanger leaking combustion byproducts.

5. Carbon monoxide levels in the heated space above 35 ppm in the ambient air.

6. CO detected within the heating appliance greater than 100ppm.

7. Other hazards: Any other situation or combination of situations that the technician or supervisor judges hazardous to the health of the client or others.

Non-Emergency, One-day Follow-up Recommended

Some situations may not warrant discontinuing testing or shutting down the heating system but are serious enough to require attention within twenty-four hours. Examples of this type of situation are:

1. If carbon monoxide measured in the heated space exceeds the 9 ppm.

2. There is inadequate draft or spillage.

3. A furnace with no limit switch, or a limit switch that is disconnected.

Non-Emergency, Five-day Follow-up Recommended

All other safety-related follow-ups must begin within five days. Examples of this type of situation are:

1. Draft or spillage in an unheated area that does not comply with the procedures in Section 12860.

- 2. A furnace limit switch that does not shut the gas off by 225 $_{\circ}$ F.
- 3. A cracked heat exchanger is suspected, but there are no other apparent problems with the furnace.

Client Education

Client is provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO. Clients are informed of any high levels of other gasses and fuel leaks.

Training

Agencies learn how to perform appropriate testing, determine when a building is excessively depressurized, and the difference between air free and as-measured CO action levels during the Energy Auditor training. This is also covered in HVAC, Crew Leader, and QCI.

7.9 – Electrical

Concurrence, Alternative, or Deferral

Concurrence	e with Guidance 🗹	Alternative Guida	nce 🛛	Results in Deferral	
		Funding	S		
DOE 🗹	LIHEAP 🗹	State 🗖	Utility 🗹	Other 🗹	
What gui	dance do you provide S	ubgrantees for dealing	g with electrica	al hazards, including knob & tube	
-	wiri	ng, in homes slated fo	or weatherizat	ion?	
Minor upgra				re the health or safety of the	
				rrent protection and damming prior	
-	_	-		he threshold of \$3,500, agencies	
-	eatherization Readiness	•			
How do	vou define "minor" or a	llowable electrical re	pairs, and at w	hat point are repairs considered	
	-	beyond the scope of w			
Minor threshold is determined by cost and cumulative SIR. If the resulting cost of the electrical work					
		•		be deferred. If the cost of the work	
	an \$3,500, prior approva				
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-					
specific audit required?					
Site specific	audit is required if the re		-	installed that are not part of the	
priority list.					
Client Education					
Provide info	Provide information to client on over-current protection, overloading circuits, basic electrical safety/risks.				
Training					
Code for ene	ergy auditors and crew le			cal hazards. Agencies have the	
	e the Pathway created by			0	
	the rational created by				
		ehvde. Volatile O			
	7.10 – Formald	envole, volatile O	ngainte tooim	DOUDOS (VULS).	

7.10 – Formaldehyde, Volatile Organic Compounds (VOCs),					
Flammable Liquids, and other Air Pollutants					
		Concurrence, Alter	native, or Deferra	al	
Concurrence	with Guidance 🗹	Alternative Gu	idance 🛛	Results in Deferral 🛛	
		Func	ling		
DOE 🗹	LIHEAP 🗹	State 🛛 Utility 🗆		Other 🗹	
What guidan	nce do you provide Sul	bgrantees for deali	ng with formalde	hyde, VOCs, flammable liquids, and	
other air pollutants identified in homes slated for weatherization?					
Removal of pollutants is allowed and is required if they pose a risk to workers. It is preferred the client remove these items prior to weatherization work. If pollutants pose a risk to workers and removal cannot be performed by the client or agency, the unit must be deferred.					
, ,	0 //				

Testing Protocols

Client Education

Inform client of observed condition and associated risks. Provide client written materials on safety and proper disposal of household pollutants. If deferral is warranted, the client must be provided in writing with the proper steps that must be met prior to weatherization.

Training

How to recognize potential hazards and when removal is necessary as part of field training. Healthy Homes training will be provided this program year to help identify these hazards.

		7.11 – Fu				
				cy differs by type)		
		Concurrence, Alter				
Concurrence	with Guidance 🗹	Alternative Gu	idance 🛛	Results in Deferral		
		Func	-			
DOE 🗹	LIHEAP 🗹	State 🛛	Utility	□ Other ☑		
		Remediatio	n Protocols			
All exposed li	nes are tested from ut			It the home. When there is a suspected		
•		, , ,	•	en confirmed a leak is present, it is		
	n emergency with imm		•			
1. Dete	rmine if location of leal	k falls on client side	of meter or s	upplier side.		
2. Call t	he appropriate party (g	gas company, propa	ne company,	licensed HVAC) to assess the situation.		
3. Whe	n the leak is determine	d to be on the clien	t side of the n	neter, the severity of the leak and repair		
is cor	mmunicated to the age	ncy and client. If th	e leak is on th	he supplier/ gas company side, the leak is		
repai	red and retested. If th	e leak is on the clier	nt side, the se	verity and cost of the leak will determine		
if it is within the scope of the program. Weatherization will not continue until the leak is repaired.						
How do you define allowable fuel leak repairs, and at what point are repairs considered beyond the scope						
of weatherization?						
If the amount of repair exceeds the threshold limit of \$1,500, the agency may request approval for the use of						
Weatherization Readiness Funds. Deferral must be issued to the client if the use of WRF or other funding						
sources are not able to remedy the situation.						
		Client Ed	ucation			
Clients are no	otified verbally and in v	vriting of the leak lo	cation and ad	lvised to not use combustible appliances		
until the leak is corrected. If the line to the home closed until the leak is repaired, the clients are informed of						
the estimated repair timeframe.						
Clients are advised that there will be more visits that same day from either the fuel supplier company or a						
licensed HVA	C professional to reme	dy the situation. Cli	ents are also	advised if deferral is needed, and the		
next steps inv	volved.					
		Trair				
Energy Audit	or, QCI, Crew Leader, a	nd HVAC for Energy	Auditors.			

7.12 – Gas Ovens / Stovetops / Ranges				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance	Alternative Guidance 🏾	Results in Deferral 🛛		

Funding					
DOE 🗹 LIHEAP 🗹 State 🗹 Utility 🗆 Other 🗹					
What guidance do you provide Subgrantees for addressing unsafe gas ovens/stoves/ranges in homes					
slated for weatherization?					
All gas ranges are to be tested and inspected for gas leaks, condition, carbon monoxide, and burner					
condition. When using DOE funds, replacement tune and clean are allowed. The use of LIHEAP or State funds may also be allowed when the appliance is no more than 32" wide.					
Testing Protocols					
1. Check for CO in ambient air upon arrival. If greater than 9 ppm, determine the source and correct the					
problem before proceeding.					
2. Inspect the gas range installation for code compliance. Refer to the latest edition of the National Fuel Ga	S				
Code (NFPA 54), Household Cooking Appliances.					
3. Check for gas leaks. If leaks are found, repair and document them before proceeding.					
4. Check the flexible range connector for the date ring. If the connector does not have a date ring and/or is brass, replace the connector. The connector must connect outside of the cabinet and must pass through th					
wall of the range cabinet.	C				
5. Inspect and test range top burners according to NM SWS Section 2.0201.2e Gas Range Burners.					
6. For the oven bake burner (do not test a separate broil burner):					
a. Remove cooking utensils from oven. Make sure foil or other materials are not obstructing the holes in					
the oven floor.					
b. Turn on burner to the maximum temperature, but not to "broil".					
c. Insert the probe into the oven vent far enough to get an undiluted exhaust gas sample.					
d. The CO emissions increase and then peak just after burner start up; they then fall to a momentary					
plateau before the burner shuts down as part of the duty cycle. The reading CO ppm must be taken					
during this stable plateau. Record this "plateau" reading in the client file. e. If the reading at steady state exceeds 200 ppm or 800 ppm air-free, then:					
I. Clean any rust and soot buildup on the spreader plate caused by flame impingement.					
II. Clean the burner if needed.					
III. Check for obstructed secondary air. If it is obstructed, remove the obstruction and educate the					
client how to keep from obstructing the burner.					
IV. Check the primary air adjustment and adjust if necessary or clear away any restrictions.					
V. Check to see that the burner is in alignment; it may require leveling the entire appliance.					
VI. Check the orifice size to ensure they are the right type and size in regard to LPG or natural gas.	lf				
the orifices need to be changed or adjusted, do so with the burner and the pilot orifices.					
7. With a manometer (water column gauge), check that the gas pressure is correct. If the pressure regulator					
requires replacement, do so.					
Client Education					
Clients are informed of any problems associated with the unit, including CO levels, gas leaks, condition and					
cleanliness of unit, use of ventilation fan when cooking, and the dangers of carbon monoxide.					
Training					
Energy Auditor, QCI, Crew Leader.					

7.13 – Hazardous Materials Disposal [Lead, Refrigerant, Asbestos, Mercury (including CFLs/fluorescents), etc.]					
(please indicate material where policy differs by material)					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆					
Funding					
DOE 🗹 LIHEAP 🗹 State 🗆 Utility 🗆 Other 🗹					
Client Education					
Client must be informed in writing of hazards being handled in the home.					
Training					
OSHA 30, local disposal requirements, and any health risks associated with the use of these materials.					
Disposal Procedures and Documentation Requirements Hazardous materials that are a result of weatherization work or generated as result of weatherization work					
shall be disposed of according to all local laws and regulations. Documentation of these activities must be					
kept in the client file. The person who replaces the mercury containing bulb or thermostat is responsible for					
proper disposal. Bulbs can be disposed in recycling bins at most hardware stores that sell the items. Mercury					
containing thermostats are less common but are still in existence. These are placed in recycle bins located					
with the vendor that provides thermostats and similar items.					
7.14 – Injury Prevention of Occupants and Weatherization Workers					
(Measures such as repairing stairs and replacing handrails)					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance I Alternative Guidance Results in Deferral					
Funding					
DOE 🗹 LIHEAP 🗹 State 🗆 Utility 🗆 Other 🗹					
What guidance do you provide Subgrantees regarding allowable injury-related repairs (e.g., stairs, handrails, porch deck board)?					
Workers must take all reasonable precautions against performing work on homes that will subject workers or					
occupants to health and safety risks. Minor repairs and installation may be conducted only when necessary					
to effectively weatherize the home; otherwise, these measures are not allowed.					
If the installation of handrails or other environmental modifications are considered an emergency to the					
client, then CSLRF Funds may be used.					
How do you define "minor" or allowable injury prevention measures, and at what point are repairs					
considered beyond the scope of weatherization? Quantify "minor" or allowable injury prevention					
measures.					
Minor is described as less than 10 square feet of work.					
Training					
OSHA 30 and other hazard identification training included in Energy Auditor or Installer and OSHA 10 for crow leaders and installers					
crew leaders and installers.					

7.15 – Lead Based Paint					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance		Alternative Guidance 🛛		Results in Deferral 🛛	
Funding					
DOE 🗹	LIHEAP 🗹	State 🗖	Utility 🗹	Other 🗖	
Safe Work Protocols					

Each Service Provider must give notification to the occupants of homes to be weatherized regarding the potential hazards of lead paint and lead paint dust if the home was built prior to 1978. Lead based surface coverings (paint, varnishes, roofing, etc.) can exist in other forms than just paint. EPA's publication "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" must be given to an adult occupant of the affected home. For occupied homes, the weatherization staff, crew, or contractor must have an adult tenant or homeowner sign an acknowledgement after receiving the pamphlet. The pamphlet can also be sent by certified mail with receipt to be placed in the customer file.

Crews must follow EPA's Lead RRP when working in pre-1978 housing unless testing confirms the work area to be lead free.

Lead-Safe Weatherization (LSW) includes weatherization worker protection, general LSW work practice standards, and lead dust containment standards. Please refer to the latest weatherization program standard for details.

Only costs directly associated with testing and lead safe practices are allowable H&S costs.

- Level 1 Containment. LESS THAN SIX (6) SQUARE FEET OF INTERIOR OR LESS THAN TWENTY (20) SQUARE FEET OF EXTERIOR WORK
 - Level 1 containment is required in pre-1978 homes when less than 6 square feet of interior painted surface per room or 20 square feet of exterior painted surface will be disturbed.
 - Level 1 containment consists of methods that prevent dust generation and contains all debris generated during the work process. The containment establishes the work area which must be kept secure.
- Level 2 Containment. MORE THAN OR EQUAL TO SIX (6) SQUARE FEET OR MORE THAN OR EQUAL TO TWENTY (20) SQUARE FEET OF EXTERIOR WORK
 - Level 2 containment is required when Weatherization activities will disturb equal to or more than 6 square feet of interior surface per room or equal to or more than 20 square feet of exterior surfaces in homes built prior to 1978. Level 2 containment consists of methods that define a work area that will not allow any dust or debris from work area to spread. Level 2 containment requires the covering of all horizontal surfaces, constructing barrier walls, sealing doorways, covering HVAC registers with approved materials, and closing windows to prevent the spread of dust and debris.
 - o If an EPA certified lead test demonstrates there is no lead present, level 2 containment will not be required.
 - Measures requiring level 2 containment other than areas that are equal to or more than 6 square of interior surface per room or equal to or more than 20 square feet of exterior surfaces may include:
 - Drilling holes in interior walls.
 - Drilling holes in exterior walls, removing painted siding.
 - Cutting attic access into ceiling or knee walls.
 - Planing a door in place.
 - Replacing door jambs and thresholds.
 - Replacing windows or doors.
 - Furnace replacements.
 - Additionally, Level 2 containment must ALWAYS be used where any of the following is conducted (even if the
 activities will disturb less than the hazard levels of 6 square feet of interior or 12 square feet of exterior surfaces
 within the Level 1 category):
 - Window replacement.
 - Demolition of painted surface areas.
 - Using any of the following: Open flame burning or torching; machines to remove paint through high-speed operation without HEPA exhaust control; or operating a heat gun at temperatures at or above 1100
 F. Note that the use of a drill, reciprocating saw, or other power tool is considered a "machine" for removing paint. As examples: Cutting an attic hatch inside the dwelling or interior drilling of holes for the installation of insulation require level two containment.
- There must be adequate documentation in the client file to demonstrate that lead safe weatherization measures were performed when necessary. Documentation should include photos of the site and containment set up, measures taken, and a list of materials used. The final inspector for each unit must also certify that LSW procedures were used and properly implemented.
- New Mexico Weatherization will adhere to EPA lead safe rules as written in the "Lead; Renovation, Repair, and Painting Program" Final Rule (LRRPP Final Rule), as directed by DOE.
- In cases where the subgrantee cannot safely weatherize a home due to lead paint hazards, the subgrantee may defer the work. Such deferral will be considered by the state on a case-by-case basis.

Service Providers may not weatherize dwellings where there are cases of documented or suspected lead poisoning. Additionally, they shall not weatherize homes where there is an extraordinary lead paint hazard and there are no means to abate the hazard, including insufficient funds or insufficient training to properly address the hazard.

Testing Protocols

EPA approve testing kits must be used to determine presence or absence of lead, and the costs of test must be economically feasible. Job site cleaning is verified by the Certified Renovator. Lead safe work practices are verified during monitoring. If lead is present and the job is large enough for Weatherization Readiness Funds to be used, agencies must obtain a risk assessment for lead.

Client Education

Clients are given the Renovate Right pamphlet and are notified of the presence of lead and location. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Training and Certification Requirements

All employees and contractors working on these homes (pre-1978) must be Certified Renovators and receive training to install measures in a lead-safe manner according to SWS and EPA protocols. This training is the RRP Course offered through the Energy Smart Academy.

Documentation Requirements

Renovate Right must be signed and kept in each client file, certified renovator certification, lead testing information including photos of tests and site set up, location of lead presence, and notification of lead presence.

7.16 – Mold and Moisture

(Including but not limited to drainage, gutters, down spouts, extensions, flashing, sump pumps, dehumidifiers, landscape, vapor retarders, moisture barriers, etc.)

Concurrence, Alternative, or Deferral						
Concurrence with Guidance 🗹		Alternative Gu	idance 🛛	Results in Deferral 🛛		
Funding						
doe 🗹	LIHEAP 🗹	State 🗖	Utility 🛛	Other 🗹		
What guidance do you provide Subgrantees for dealing with moisture related issues (e.g., drainage, gutters, down spouts, moisture barriers, dehumidifiers, vapor barrier on bare earth floors) in homes slated						

for weatherization?

The Weatherization Assistance Program is not a mold remediation program. The use of DOE funds for the removal of mold and other related biological substances is not an allowable health and safety expense. If necessary, Weatherization Program services may need to be deferred until the existing mold problem can be corrected or referred to another agency for funding of remedial action.

All homes should be checked for previous or existing moisture problems.

- Visual assessment of exterior drainage and other moisture danger areas is required.
 - A moisture assessment must be conducted with special attention to the following signs:
 - Evidence of condensation on windows and walls indicated by stains or mold.
 - Standing water, open sumps, open wells, dirt floors, water stains, etc. in basements or crawlspaces. Also, check to see if firewood is stored in the basement and whether laundry is hung to dry during the winter months.
 - Leaking supply or waste pipes.
 - Attic roof sheathing that shows signs of mold or mildew.
 - Active roof leaks.
 - o Dryer fan and bath exhaust fan ducting that is nonexistent, damaged or constricted, too long, or not connected to outdoors.
 - Presence of unvented space heaters.
- In the course of weatherization, measures that help reduce the humidity levels in the house may be installed. Examples of these measures are venting dryers to the outside, venting existing bath or kitchen exhaust fans or installing moisture barriers on dirt floors. Repair of moisture problems that might 1) result in health problems for the client, 2) damage the structure over the short- or long-term, or 3) diminish the effectiveness of the weatherization measures, must be done before the weatherization job is completed.

• Moisture problems can be reduced or eliminated by ventilating areas where excessive moisture is produced, such as bathrooms and kitchens. This should include installation of a high quality properly sized exhaust fan in the subject area and informing the client of the related moisture issues and the proper operation and use of the fan. Other methods include:

- \circ Venting dryers to the outside of the dwelling.
- Exhaust ventilation
- Sealing the foundation.
- Providing positive drainage away from the foundation.
- Repairing the roof, flashing, gutter, and downspouts.
- \circ \quad Educating the client about the sources of moisture that they can control.
- o Removal of unvented space heaters.
- If an existing moisture, mold or mildew problem is found, the agency must determine if the moisture problem can be fixed under the scope of weatherization or if there should be a deferral of service because of the severity of the problem (typically 10 square feet or more of affected surface).
 - If it is determined that the problems are too severe under the scope of weatherization, a Deferral of Service form shall be signed at the time of inspection and left with the client and a copy placed in the client file.
 - Client education must be given to the client to inform them of the health and safety problems associated with mold or mildew and the possible self-help solutions they can perform at a later date.
 - The agency should try to refer the client to other programs or agencies that may be able to assist in resolution of the problem.
- If surface preparation that includes measures such as cleaning mold from windows prior to apply caulking or other similar items, it must be charged to the corresponding ECM, and not health and safety.
- Testing is not an allowable cost; agencies are encouraged to use moisture meters but is not required.
- Weatherization Readiness Funds may be used to prevent deferral.

How do you define "minor" or allowable moisture-related measures, and at what point is work considered beyond the scope of weatherization?

12 Square feet or more will trigger deferral.

Client Education

All clients are provided written documentation of the presence of mold, moisture, and if deferral is necessary. Clients are provided information on proper moisture control such as repairing roof leaks, drainage, and water flow towards the property. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Training

How to recognize drainage, moisture, or mold issues is included with Energy Auditor and QCI.

7.18 – Radon					
Concurrence, Alternative, or Deferral					
Concurrence with Guidance 🗹		Alternative Guidance 🛛		Results in Deferral 🛛	
Funding					
DOE 🗹	LIHEAP 🗹	State 🗖	Utility 🗖	Other 🗹	
What guidance do you provide Subgrantees around radon?					

• Provide the client with EPA's consumer guide to radon.

- PER SWS requirements, crawlspaces with exposed dirt must be covered with a 6-mil vapor permeable ground cover. In dwellings where radon may be present, precautions should be taken to reduce the likeliness of making radon concentrations higher.
- Based on the BEX report, every home is required to receive the following package of measures if applicable, regardless of radon zone where located:
 - Cover exposed dirt floors within the pressure/thermal boundary with a sealed soil gas retarder
 - Cover sump well/pits with airtight covers
 - Implement ventilation as required by ASHRAE 62.2-2016
- Provide an updated sample template for the occupant's informed consent which includes the required information and updated references.
- Radon mitigation is not allowed by DOE.

Testing Protocols

Testing is allowed in locations with high radon potential but is not recommended or practiced. These include Rio Arriba, Taos, Colfax, Mora, San Miguel, Santa Fe and Bernalillo Counties.

Client Education

Clients are provided A Citizens Guide to Radon and informed of the risks. They must sign an informed consent form prior to receiving weatherization services. Informed consent form is required be kept in the client file. This form must include:

The results of the IAQ Study and the small risk of increasing radon levels when tightness is improved, list of precautionary measures that WAP installs, and the benefits of weatherization such as energy savings, improved home comfort, and increased safety.

Training and Certification Requirements

Training is provided to assessors and crew as to what radon is, and how it occurs. What factors may make radon worse are observed. Staff is trained on what weatherization measures may be helpful such as vapor barrier installation and mechanical ventilation. Weatherization staff is expected to be familiar with the zonal map located <u>http://www.epa.gov/radon/pdfs/zonemapcolor.pdf</u>.

Documentation Requirements

Citizen's Guide to Radon documentation that client has signed is kept in the client file, along with the informed consent form.

7.19 – Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers Concurrence, Alternative, or Deferral Concurrence with Guidance ☑ Alternative Guidance □ Results in Deferral □ Funding DOE ☑ LIHEAP ☑ State □ Utility □ Other □ What is your policy for installation or replacement of the following?

Smoke Alarms: Installation of smoke/CO detectors is allowed where detectors are not present or are inoperable. Installation of CO alarms is required in every home regardless of location or fuel sources. Replacement of functional smoke and CO alarms is allowed that are past the manufacturer's stated lifetime (usually 10 years), or the batteries of those that are operational but need replacement batteries.

All installations must follow manufacturer directions and SWS requirements.

- All smoke alarms must be in compliance with NFPA 72.
- All smoke alarms must be in accordance with UL 217.

Carbon Monoxide Alarms: Installation of smoke/CO detectors is allowed where detectors are not present, hard wired, or are inoperable. Replacement of operable smoke/CO detectors is not an allowable cost. All installations must follow manufacturer directions and SWS requirements.

- Where operable units are not present at least one CO alarm must be installed outside of each sleeping area as stated in section two of the SWS. Following the manufacturer's recommendations for locating and installing the alarm. Typically, alarms are installed where the clients spend most time, such as near bedrooms. If an entire multifamily building is to receive weatherization services, a CO alarm should be installed in each unit of the complex.
 - Combustion appliances are defined as any piece of equipment (such as a water heater, cook stove, or heating system) that burns a fuel such as wood, kerosene, oil, natural gas, or propane.
 - Unvented space heaters are expressly prohibited in weatherized homes unless they are compliant with ANSIZ21.11.2 with an alarm system indicating high CO levels.
- All installed CO alarms must:
 - \circ $\,$ Be in compliance with NFPA 720.
 - o Be UL 2034 listed.
 - Have an electrochemical sensor with a 5-year warranty.
 - Be a plug-in type with a battery backup or battery-operated units with a 5-year warranty.
 - Have a sensor life monitor that alarms after 5 years or at the expiration of the useful sensor life.
 - Have a digital LCD display.
 - Sample ambient air at least every 2 minutes.
 - Have an alarm of 85 decibels at 10 feet.
 - Be capable of displaying: the current CO level detected from 35ppm to 500 ppm CO, the peak level detected, the total time peak level was recorded.
- Customer education is a vital part of protecting households from the dangers of CO. Ensure that client education regarding the potential hazards of combustion appliances is delivered.
- The cost of the CO alarm or combination CO and smoke alarm is a health and safety material and labor cost.
- Upon final inspection, the client will be interviewed and questioned on the usage of the alarm.
 Review by the final inspector will be necessary for clients that were not present during the initial installation or clients with unclear ideas of how the unit works.
 - The unit cannot be reported as complete if there are no residents that understand how the unit works and what to do in the event it was to sound an alarm.

Fire Extinguishers: Providing fire extinguishers is allowed only when solid fuel is present.

Testing Protocols

Operation checks on all existing alarms.
Client Education

Provide client with verbal and written information on use of smoke/CO detectors and fire extinguishers where allowed. Clients must receive adequate education on operation of alarm during final inspection in addition to assessment and work in progress.

Training

Where to install detectors. Local code compliance. Code for Energy Auditors class.

	pant Health and Sa		and Conditions
	Concurrence, Alterr		
Concurrence with Guidance ☑	Alternative Gui	dance 🛛	Results in Deferral 🗹
		•	
	Fund		
DOE 🗹 LIHEAP 🗹	State 🗖	Utility 🛛	Other 🗹
What guidance do you provide	Subgrantees for soliciti to components o	• •	health and safety concerns related
General			
When a person's health may be	at risk and/or the work	activities could con	nstitute a health or safety hazard,
the occupant at risk will be requ	ired to take appropriate	e action based on s	everity of risk. <u>Temporary</u>
relocation of at-risk occupants n	nay be allowed on a case	<u>e-by-case basis.</u> Fa	ailure or the inability to take
appropriate actions must result	in deferral.		
• • •	vide Subgrantees for de ny be negatively affected	•	r occupants suffer from health atherizing their home?
	<u> </u>		
General			
<u>ucheral</u>			
	ust include a field for cli	ents to include sus	pected health and safety concerns.
All client applications m			pected health and safety concerns.
 All client applications m Health and safety issues 	s should be addressed as	s part of the client	education process, both verbally
 All client applications m Health and safety issues and by distributing educe 	s should be addressed as cational pamphlets durir	s part of the client ng the audit "walk-	
 All client applications m Health and safety issues and by distributing educ effective as the auditor 	s should be addressed as cational pamphlets durir notices and discusses po	s part of the client ng the audit "walk- otential hazards.	education process, both verbally through." This can be particularly
 All client applications m Health and safety issues and by distributing educe effective as the auditor All Health and Safety Formation 	s should be addressed as cational pamphlets durir notices and discusses po rms signed by the client	s part of the client ng the audit "walk- otential hazards. must include a ch	education process, both verbally
 All client applications m Health and safety issues and by distributing educe effective as the auditor All Health and Safety Fo weatherization work that 	s should be addressed as cational pamphlets durir notices and discusses po rms signed by the client at will be performed will	s part of the client ng the audit "walk- otential hazards. must include a che not worsen suspe	education process, both verbally through." This can be particularly eck box acknowledging that the cted health and safety concerns.
 All client applications m Health and safety issues and by distributing educe effective as the auditor All Health and Safety Fow weatherization work that Screening of occupant here 	s should be addressed as cational pamphlets durir notices and discusses po rms signed by the client at will be performed will	s part of the client ng the audit "walk- otential hazards. must include a ch not worsen suspe e documented usin	education process, both verbally through." This can be particularly eck box acknowledging that the cted health and safety concerns. ng the "Occupant Pre-existing or

What guidance do you provide Subgrantees for dealing with potential health concerns when they are identified?

<u>General</u>

- Weatherization services must be provided in a manner that minimizes risk to clients.
- Dwellings with unvented (vent-free) combustion appliances used as a primary heat source, may not be weatherized until such appliances are properly vented to the outdoors (according to the appropriate code) or removed. Refer to Section 8430 and DOE Guidance 17-7 for more information.
- Building owners and clients must be notified of any health or safety problems that require deferring the weatherization work. Documentation of this notification must be included in the client file.
- It is preferred that Subgrantees minimize or restrict the use of materials that may be hazardous to the client.
- Special precautions must be taken if the occupant of the home has respiratory ailments, allergies, is pregnant, or has unique health concerns.
- Subgrantees should try to protect all clients from respirable particles, such as paint or insulation dust, during the weatherization process.
- Two-part foam must be done in well-ventilated areas.
- Weatherization personnel shall not smoke cigarettes, cigars, or pipes in a client's home or outdoors within 25 feet of the client's home.
- If strong smelling chemicals, such as formaldehyde, are detected in the client's home, service provider should not perform any weatherization measures that would reduce the natural air leakage of the dwelling until the hazards are remedied.
- At a minimum, auditors and weatherization personnel should inform property owners of safety problems, code problems, and other health and safety issues. These items might include:
 - Hazardous levels of carbon monoxide.
 - Raw sewage leaking from waste plumbing pipes.
 - o Mold and moisture.
 - Friable asbestos.
 - Radon gas.
 - Lead safe weatherization requirements.

Client Education

Provide client information of any known risks. Client must be informed in writing of known risks to the client due to pre-existing health conditions. Client must also be provided contact information in writing. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Documentation Form(s) have been developed and comply with guidance? Yes 🗹

7.21 – Ventilation and Indoor Air Quality						
	(Concurrence, Alter	rnative, or Deferral	l		
Concurrence with Guidance ☑ Alternative Guidance □ Results in Deferral □						
	Funding					
doe 🗹	LIHEAP 🗹	State 🗖	Utility 🛛	Other 🗖		

No 🗆

Identify the Most Recent Version of ASHRAE 62.2 Implemented (optional: identify Addenda used)

All units must comply with ASHRAE 62.2 2016. Prior to work beginning and during the initial assessment, clients will first receive proper education as to why it is important for the home to have adequate ventilation. If after given ample opportunity to receive the services, the client refuses mechanical ventilation, and there are no other solutions that comply with ASHRAE 62.2 2016, then the deferral process will begin. Protocols have been incorporated into the following areas of our training agenda:

- Energy audit process
- o Air quality assessment
- o ASHRAE 62.2

Ventilation and Acceptable Indoor Air Quality shall be used for the installation of ventilation systems, both local ventilation and whole-building ventilation.

Actions to prevent zonal pressure differences greater than 3 pascals across a closed door if one exists are required.

Testing and Final Verification Protocols

ASHRAE 62.2 -2016 evaluation, fan flow, installed equipment and follow up testing are required to ensure compliance.

Client Education

Provide client with information on function, use, cleaning, and maintenance of ventilation system and components. This includes the location of the service switch. Disclaimers that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality should be included. Client must receive equipment manuals.

Training

ASHRAE 62.2 -2016 training required including proper sizing, evaluation of existing and new systems, depressurization tightness limits, critical air zones, etc. Energy Auditor, Crew Leader, QCI

7.22 – Window and Door Replacement, Window Guards						
	Concurrence, Alternative, or Deferral					
Concurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆						
	Fundiı	ng				
DOE 🛛 LIHEAP 🗆	State 🗖	Utility 🛛	Other 🗹			
No funding is used as health and saf	ety for these items.					
What guidance do you provide t	to Subgrantees regard	ding window an	d door replacement and window			
	guard	s?				
Replacement, repair, or installation of windows and doors is not an allowable health and safety cost, but door replacement may be allowed as an incidental repair or an efficiency measure if cost justified. If windows and doors present a health and safety concern, agencies must look to other funding sources to take care of the problem.						

Version 1.0

	Testing Protocols	
NA		
	Client Education	
Lead Based Paint Risks		
	Training	
Guidance Awareness		

	7.23 – Worker Safety (OSHA, etc.)						
		Concurrence, Alter	native, or Deferra	I			
Concurrence wi	Concurrence with Guidance 🗹 Alternative Guidance 🗆 Results in Deferral 🗆						
		Func	ling				
DOE 🗹	LIHEAP 🗹	State 🗖	Utility 🗖	Other 🗖			
How	do you verify safe w	ork practices? What	at is your policy fo	or in-progress monitoring?	1		
Jobsites are visi	ted during the techn	ical monitoring and	crews are observ	ed using PPE and following	g OSHA		
standards such	as safe ladder use. S	DS sheets are inspe	ected for updates	and location during the tee	chnical		
field monitoring	J.						
OSHA's Hazzard	Communication Sta	<u>ndard</u>					
NM agencies ha	ive been compliant w	ith OSHA's Hazzaro	Communication	Standard utilizing Safety D	ata Sheets		
that have replace	ced the MSDS since P	Y 2015. Each vehic	le is equipped wit	h the SDS sheets for the co	ommonly		
used chemicals.							
OSHA's Confined Space Requirement							
The assessor must test for oxygen, carbon monoxide, hydrogen sulfide, and combustible gasses prior to entry							
and decide if th	e space is a permit re	equired space based	d off OSHA guidan	ce 1910.146. Agencies are	e required		
to keep docume	ents in each client file	e that describes if co	onfined spaces su	ch as attics and crawl spac	es require		
a safety permit	and designated com	petent person durir	ng entry of a confi	ned space.			

Training and Certification Requirements

OSHA 10, OSHA 30, and use of PPE

7.24 – <add in="" topic=""></add>					
	(Concurrence, Alterr	native, or Deferral	l	
Concurrence w	ith Guidance 🛛	Alternative Gui	dance 🛛	Results in Deferral 🛛	
		Fund	ing		
DOE 🗆	LIHEAP 🗖	State 🗖	Utility 🗖	Other 🗖	
		Remediation	n Protocols		
		Testing Pi	rotocols		
ASHRAE 62.2 -20	16 evaluation, fan flow,	and follow up testing	g are required to en	sure compliance.	
Client Education					
		Train	ing		

	7.24 – <add in="" topic=""></add>					
		Concurrence, Alter	native, or Deferra	l		
Concurrence w	vith Guidance 🛛	Alternative Gu	idance 🛛	Results in Deferral		
		Fund	ling			
DOE 🗆	LIHEAP 🗖	State 🗖	Utility 🛛	Other 🗖		
		Remediatio	n Protocols			
		Testing P	rotocols			
		Client Ed	ucation			
		Trair	ning			



то:	MFA Board of Directors
FROM:	Arundhati Bose
DATE:	April 17 th , 2024
SUBJECT:	Single Family Mortgage Bonds 2024 Series A/B – Pricing Summary

2024 Series A/B

The 2024 Series A/B transaction is a new money bond issue which priced on January 25th, 2024, and closed on February 22nd, 2024. Below is a summary of the bond sale:

<u>Structure</u>: The bond issue is a blended \$120.0 million (i.e., \$96.0 million tax-exempt, 24.0 million taxable) traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class ("PAC") bond.

Marketing: To enhance the marketing of bonds to retail investors, our selling group members participated in the underwriting syndicate, namely, D.A. Davidson & Co., Fidelity Capital Markets, Drexel Hamilton, Inc., Hilltop Securities, and UBS Financial Services Inc. The underwriting syndicate submitted 6.465 million in orders and was allotted 5.420 million of bonds.

Tax-Exempt Issue Performance:

- \$115 million of institutional orders
- \$18.5 million in retail orders
 - \$1.75 million from NM retail investors

Taxable Issue Performance:

- \$53.6 million of institutional orders
- No retail orders, as taxable demand largely comes from institutions.

Total orders for the bond issue were \$193.6 million for both retail and institutional investors, which is a decrease of 32.9% in total orders compared to the 2023 Series D issuance. This was mainly due to volatility of the US Treasury on the morning of pricing, coupled with a continuation of high interest rates. Both factors contributed to a lower investor appetite for tax-exempt bonds; however, the taxable bonds saw substantial investor demand and insulated the outcomes from the pricing.

<u>Use of Bond Proceeds</u>: The \$120.0 million is being used to originate new mortgage loans and to roll forward a subsidy generated from prior bond issues which helped maintain

competitive mortgage rates. The aggregate weighted average mortgage rates are as follows:

Program	Government	FNMA	FHLMC
FIRST HOME	6.027%	6.371%	6.254%

Spread: Spread is the difference between the mortgage yield and the bond yield. The maximum spread permitted by federal tax law on tax-exempt issues is 1.125% but can be higher when blended with taxable bond issues. The following table details the individual spreads anticipated for each portion of the issue:

	Aggregate	Tax-Exempt	Taxable
Loan Yield	5.858%	5.456%	7.556%
Bond Yield	4.724%	4.337%	5.859%
Spread	1.134%	1.119%	1.697%

Additionally, the net present value benefit of the transaction is \$4.4 million or approximately 3.7% of the bonds issued.

Investment of Bond Proceeds: Funds from the bond issue are invested in Federal Government Obligations Fund Institutional Shares through Zions Bank, the General Indenture Trustee.

The attached Exhibit 1 contains a table summarizing more detailed information about the 2024 Series A/B bond issue as well as bond issue characteristics from other recent single-family issuances for comparative purposes.

The attached Exhibit 2 is a comprehensive in-depth "Post-Sale Analysis" for 2024 Series A/B, prepared by MFA's Financial Advisor, CSG Advisors.

The attached Exhibit 3 is a summary from the rating agency, Moody's, detailing how zero participations, or zeroes, function when they are created in a bond issue.

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New Mexico Mortgage Finance Authority

Summary of Recent Bond Issue Characteristics

		For Info Only	For Info Only	For Info Only	For Info Only	
		2023A	2023B	2023C	2023D	2024A/B
		New Money	New Money	New Money	New Money	New Money
		Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Blended
Туре	of Structure	Traditional	Traditional	Traditional	Traditional	Traditional
1	Tax Exempt Bonds	\$60,000,000	\$80,000,000	\$100,000,000	\$125,000,000	\$96,000,000
	Taxable Bonds	n/a	n/a	n/a	n/a	\$24,000,000
	Tax-Exempt Refunding Bonds	n/a	n/a	n/a	n/a	n/a
	Taxable Refunding Bonds	n/a	n/a	n/a	n/a	n/a
	Total Amount of Bonds Issued	\$60,000,000	\$80,000,000	\$100,000,000	\$125,000,000	\$120,000,000
2	Bond Issue(s) Refunded	n/a	n/a	n/a	n/a	n/a
3	MFA Subsidy*/Benefit-(New Available)/ Present Value Economic Benefit	\$2.1 million/\$3.2 million	\$2.9 million/\$3.3 million	\$3.5 million/\$4.8 million	\$4.0 million/\$1.1 million	\$4.4 million/\$4. millio
4	Original Bond Ratings:					
	Standard & Poor's	None	None	None	None	None
	Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
5	Pricing Date(s)	1/25/2023	4/20/2023	7/13/2023	10/19/2023	1/24/2024
6	Bond Closing Date	2/23/2023	5/25/2023	8/17/2023	11/21/2023	2/22/2024
7	Serial Bond Maturities AMT	None	None	None	None	None
	Non-AMT	3/1/24-9/1/35	3/1/24-9/1/33	9/1/24-9/1/35	3/1/25-9/1/35	3/1/25-9/1/36
	Taxable	None	None	None	None	3/1/25-9/1/33
8	Term Bond Maturities	9/1/31,9/1/38 9/1/43,9/1/48 9/1/53	9/1/35,9/1/38 9/1/43,9/1/48 9/1/53	9/1/38,9/1/43 9/1/48,9/1/53	9/1/38,9/1/43 9/1/48,9/1/53	9/1/39,9/1/44 9/1/49,9/1/54
9	Premium PAC Maturity	3/1/54	3/1/54	3/1/54	9/1/54	3/1/55
10	Split Between FIRST HOME Government and Conventional Loans Government Conventional	80% 20%	80% 20%	80% 20%	80% 20%	80% 20%
11	Weighted Average Loan Rates+					
	FIRST HOME - Government	5.445%	5.610%	5.771%	6.162%	6.027%
	FIRST HOME - FNMA <80%	5.770%	5.965%	6.135%	6.304%	6.371%
	FIRST HOME - FNMA >80%	5.770%	5.965%	6.135%	6.304%	6.371%
	FIRST HOME - FHLMC <80%	n/a	n/a	n/a	6.601%	6.254%
	FIRST HOME - FHLMC >80%	n/a	n/a	n/a	6.601%	6.254%
12	10-Year Treasury Rate at Pricing	3.46%	3.54%	3.76%	4.98%	4.13%
13	GIC Rates**					
	Acquisition Fund Rate	n/a	n/a	n/a	n/a	n/a
	Float Fund Rate	n/a	n/a	n/a	n/a	n/a
14	MFA Contribution at Closing Cost of Issuance (COI) COI as a % of Bonds Issued	\$600,000 1.00%	\$750,000 0.94%	\$880,000 0.88%	\$1,055,000 0.84%	\$1,035,000 0.86%
	Negative Arbitrage Deposit	\$600,000	\$850,000	\$1,300,000	\$1,600,000	\$1,450,000
15	Yield Spread	n/a	n/a	n/a	n/a	n/a
16	Administrative Fee (to MFA)	0.180%	0.180%	0.180%	0.180%	0.180%
17	Bond Allocation System Followed***	Yes	Yes	Yes	Yes	Yes

*Subsidy was generated by a prior bond issue.

+Weighted average rate of loans in the pipeline.

**The Guaranteed Investment Contract is competitively bid.

***The bond allocation system that is followed is common in the investment banking industry and is as follows: The lead manager keeps track of when the orders are received which is referred to as an order flow tracking system. The bond allocation system also dictates that Bonds are awarded to managers prior to any selling group members even though group members may have entered orders first. In-state retail orders receive first priority, followed by orders for the benefit of the group which are allocated by management fee percentage; next are net designated orders placed through the senior manager where the buyer designates the sales credit to specific managers, and finally, member orders receive the lowest priority.

\$120,000,000 New Mexico Mortgage Finance Authority Single Family Mortgage Program Class I Bonds \$96,000,000 2024 Series A (Tax-Exempt) (Non-AMT) \$24,000,000 2024 Series B (Federally Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR MFA

Purpose. This transaction is a traditional single-family bond issue with semi-annual interest and principal, though bonds can be redeemed quarterly from excess revenues. Its purpose, like similar prior new money transactions is to:

- 1. Finance new loan production at attractive interest rates for homebuyers,
- 2. Provide beneficial economics to MFA with as close to the maximum yield spread permitted by the IRS as possible,
- 3. Use taxable financing for 20% of the par amount of bonds, thus stretching scarce private activity bond volume cap,
- 4. Strategically use MFA's zero participation loans as needed, and
- 5. Keep negative arbitrage to a minimum.

Additionally, this transaction reallocates zero participation loans from prior series (2023 Series D) well within the required time of 18 months for which to reallocate loans.

Approach and Strategy. For the first time in at least a decade, MFA issued a portion of a new money financing with taxable bonds, thus reducing the amount of new volume cap needed in the transaction. MFA has used taxable bonds in the recent past to economically refund prior bonds, but not to finance the purchase of new loans. Zero participation loans will be created in this transaction to bring it to full spread.

From a strategic point of view, MFA has been:

- 1. Building a loan pipeline by reserving loans, while reviewing expected rates on a traditional bond structure,
- 2. Issuing bonds to begin financing mortgage-backed securities at bond closing through a 3 to 4 month origination period, and
- 3. Protecting itself against rates rising before bonds are sold by using zero participation interest subsidies it has earned from past transactions.

Primary Objectives. MFA therefore has four primary objectives in this issuance:

- 1. Finance existing production at the lowest yield possible,
- 2. While keeping mortgage loan rates low, strategically use MFA's approximately \$26.6 million of zero participations (prior to issuing 2024A) to achieve full spread and preserve more zero participations for future production,
- 3. Include a modest amount of taxable bonds (20%) in the structure, thus reducing the use of new volume cap which is in greater demand across the state, and
- 4. Raise bond premium in order to generate proceeds to help fund the purchase of the MBS from the servicer at 101%, to fund cash flow lag, and to fund all of the costs of issuance of the transaction.

Structure. The 2024AB bonds:

- Included bond proceeds sufficient to finance \$120.0 million of new pipeline production and provide sufficient proceeds to use and store zero participations,
- Both 2024A and 2024B were structured with serials bonds and term bonds with 2024A also including Planned Amortization Class (PAC) bonds,
- Sold the 2024A PAC bonds with a total premium of \$3.3 million which provides additional funds to purchase \$120.0 million of MBS and costs of issuance.
- Were priced 4 weeks prior to closing, enabling MFA to lock in its borrowing cost sooner as well as finance more of its pipeline production prior to closing, thus reducing both interest rate risk and negative arbitrage,
- Allowed for either GNMA, Fannie Mae (FNMA), or Freddie Mac (FHLMC) MBS depending on MFA's loan pipeline,
- Provided MFA with an optional call in 9.0 years at par (or slight premium with regard to the PAC bond) if it proves profitable to redeem the bonds in the future,
- Deposited \$1.45 million of Authority funds in a negative arbitrage account to provide necessary funds to cover non-origination stress test in rating agency cash flow runs. We expect most or all of such funds to be transferred back to MFA within 12 to 18 months, as it isn't expected to be needed once the MBS are purchased several months after closing as anticipated.

Results. The 2024A bond structure consisted of three major components: non-AMT serial bonds, term bonds and a premium PAC bond, while the 2024B bond structure included taxable serials and term bonds.

- 1. Yields. The aggregate bond yield (true interest cost) of the total 2024AB issuance was 4.72% assuming 100% FHA prepayments (compared to 5.15% for the entirely tax-exempt 2023D bonds sold three months prior in October).
- 2. Use of Zero Participations. In order to remain within yield spread, 2024A is forecasted to create \$3 million in zeros on a nominal basis resulting in \$23.8 million in zeros for future bond issues (assuming participation with a future issue in 3 months).
- **3.** Net Economic Benefits. The transaction's projected net present value was \$4.4 million at 150% PSA prepayment speed, or approximately 3.7% of the bonds issued. Including the impact of zeros created, the net present value was \$4.9 million.

Bond Results. Following are key highlights:

1. Timing. The bonds were priced on the morning of Wednesday, January 24th with a combined single 2.5 hour order period for both retail and institutional buyers.

General municipal bond issuance as well as housing bond issuance was robust during the week of 2024A's pricing. In addition to MFA's sale, four other single family tax-exempt bond issues priced during the week of January 22nd (South Carolina, Minnesota, Alaska, and Nebraska IFA).

On the pricing date of January 25th, the 10-year Treasury was lower by 0.05% from the prior day to a 4.13% yield. The municipal market as measured by MMD rates was lower by 0.02% in the short-end of the yield curve, with intermediate and long MMD compared to the prior day. See "Market Details" below for a full description of the market leading up to the pricing date.

Retail Interest. On the morning of Thursday, January 25th, a 2.5 hour order period was established with first priority to orders from New Mexico retail investors and second priority to national retail investors. This resulted in a total of \$18.5 million of retail orders for the 2024A bonds (\$1.75 million of New Mexico retail), \$10.7 million of which were for term bonds, with \$9.8 million for the serials. There were no retail orders for the taxable 2024B bonds, as taxable demand largely comes from institutions.

- 2. 2024A Institutional Interest. In all, institutions put in orders for the 2024A bonds totaling \$115 million (compared to \$215 million for 2023D). Due to subscription across the serial bonds with some small unsold balances on just over \$1 million in bonds, the yields on the serial bonds were left unchanged. The 2039 term bonds received solid demand at 2.2x subscribed, however, the 2049 and 2054 term bonds had \$7 million each of unsold balances. To solicit investor interest, those two term bonds as well as the 2044 term bond were offered at discounts so as to increase their yield by 0.05%. This was a better outcome than attempting to sell the bonds at par, since investors would have required much higher yields to purchase them at par. Investor interest for the \$48 million in PAC bonds was adequate to maintain its yield, with subscription right at 1.0x.
- **3. 2024B Institutional Interest.** In all, institutions put in orders for the 2024B bonds totaling \$53.6 million compared to only \$24 million of bonds offered. Due to oversubscription, the serial bonds from 2028 to 2033 were reduced in yield by 0.02% to 0.08%, while the 2039 term bond was lowered by 0.03%. Only the March 2027 serial and the 2049 term bond required adjustments higher in yield by 0.05%.
- **4. Selling Group.** To enhance the order flow particularly with retail investors, five selling group members were included in the underwriting syndicate for 2024A. Selling group members included D.A. Davidson, Drexel Hamilton, Fidelity Capital Markets, Hilltop Securities and UBS. See below for orders and allotments from the selling group, of which UBS brought the most orders to the pricing:

Selling Group Member	Orders	A	llotments
Fidelity Capital Markets	\$ 5,205	\$	4,560
Drexel Hamilton	-		-
UBS	-		-
D.A. Davidson	1,260		860
Hilltop	-		-
TOTAL	\$ 6,465	\$	5,420

TABLE 1: RETAIL	ORDERS BY SELLING GROUP MI	EMBER (THOUSANDS):

*Excludes unfilled stock orders.

The selling group was useful to the issuance in terms of generating additional retail interest. Fidelity led the selling group in orders, followed by D.A. Davidson.

5. 2024A Comparable Transactions (Tax-Exempt). The 2024A bonds priced similarly to the other tax-exempt issues that priced the same week, including the \$105 million Nebraska (- /AAA) issue that priced the next day and \$90MM Alaska (Aa1/AA+) which priced one day earlier. Several of MFA's serial bonds priced tighter than Nebraska and Alaska, while several shorter serial bonds were at slightly wider spreads to MMD. As for term bonds, MFA's 2039 term priced at the same spreads as Nebraska and 0.03% lower than Alaska, while its 2044 term bond priced 0.03% higher than the other two sales. MFA's 2049 term bond priced at the same spread (+117) as Nebraska and Alaska's term bond, while MFA's 2054 term was 0.06% lower in yield than Nebraska. Alaska achieved a spread of +153 over the 5-year MMD for its PAC bond, 0.02% lower than MFA's PAC bond.

6. 2024B Comparable Transactions (Taxable). The 2024B taxable bonds priced well compared to the other taxable issues that priced the same week, also including Nebraska (- /AAA) that priced the following day and Alaska (Aa1/AA+) which priced one day earlier. MFA's serial bonds largely priced at the same or tighter spreads to US Treasury rates than Nebraska and Alaska. As for term bonds, MFA's 2039 term priced 0.03% lower than Alaska, while its 2044 and 2049 term bonds priced 0.03% and 0.05% higher than Alaska, respectively.

MARKET DETAILS

Key Dates:	Retail and Institutional Order Period:	Wednesday, January 24, 2024
	Closing Date:	Thursday, February 22, 2024

Economic Calendar. Data releases throughout the second half of 2023 largely reflected slowing inflation, with more recent inflation data showing continued progress towards the Federal Reserve's annual inflation target of 2%. As a result, the Fed has left fed funds rates unchanged since its July 26th meeting, though short-term rates remain at their highest level in 22 years. At its most recent meeting in December, the Fed acknowledged the possibility of rate cuts at some point in the future given the progress made on reducing inflation, though the timing of the first rate cut and the total amount of reductions during 2024 is still very much to be determined. Investors believe the Fed has more room to cut than individual Fed governors have expressed. Despite many forecasts for a recession in 2023, the U.S. economy seems to be growing at a solid pace while also seeing less inflation. On January 25th, the 4th quarter GDP report indicated growth of 3.3% on an annualized basis, much higher than the 2% gain expected. Core prices for personal consumption expenditures rose 2% for the period.

Treasuries. As of market close on the day of pricing, the 10-year US Treasury yield was 4.13%, 24 bps higher than the beginning of 2024 though still 86 bps lower than the 4.99% high it reached in October 2023. The yield curve remained inverted, with the 2-year Treasury 18 bps higher than the 10-year. In fact, the 2-year Treasury rate has exceeded the 10-year rate since July of 2022. Such inversions have in the past been precursors to, and reflected investors' expectations of, future recession, though as mentioned above, a recession has yet to materialize.

Municipals. In 2023, the supply of new issue municipal bonds was the lowest of the last 5 years at just \$380 billion. Interest rates reached highs not seen in more than a decade, creating more demand from investors while fewer bonds were available, thus resulting in lower MMD to Treasury ratios by the end of 2023. Throughout 2023, while outflows continued from muni bond funds, municipal ETFs received periodic inflows, and there has been a much more favorable tone to investor demand in the muni market, due to lower supplies of new bond issues as well as investors looking to reinvest recent bond redemptions. This has led to a favorable market for municipal issuers, as evidenced by strong MMD/Treasury ratios.

Issue	Date	10 Year MMD	10 Year Treasury	MMD to Treasury Ratio	30 Year MMD	30 Year Treasury	MMD to Treasury Ratio
2022 E	11/8/22	3.30%	4.14%	80%	4.06%	4.28%	95%
2023 A	1/25/23	2.19%	3.46%	63%	3.18%	3.62%	88%
2023 B	4/20/23	2.36%	3.54%	67%	3.40%	3.74%	91%
2023 C	7/13/23	2.59%	3.76%	69%	3.51%	3.89%	90%
2023 D	10/19/23	3.59%	4.98%	72%	4.53%	5.11%	89%
2024 AB	1/24/24	2.46%	4.13%	60%	3.61%	4.38%	82%
Change from 2023D to 2024AB		- 113 bps	-85 bps	- 12%	-92 bps	-73 bps	- 7%

TABLE 2: COMPARISON OF RATES IN RECENT TRANSACTIONS

UNDERWRITING

Underwriter. RBC Capital Markets served as senior managing underwriter and Raymond James as comanager. As described above, there was also a five-firm selling group.

Underwriting Fees. The underwriter discount of \$6.507 per \$1,000 bonds is reasonable compared to other similarly sized issues in the market.

Performance. RBC Capital Markets as book-running senior manager and Raymond James as co-manager worked well together and achieved sufficient order flow as described above and evidenced by \$187 million in total orders (excluding stock member orders).

The five-firm selling group enhanced the sale of the bonds. We recommend that MFA use a selling group on the next traditional bond issuance as well.

0% participation funds: HFAs may elect to save the subsidy generated by the excess yield as "0% participation funds" (called zeroes) so they can be used to "blend" down higher mortgage rates in the future. For example, an HFA can earn full-spread on bond-financed mortgages if it can borrow at 4% and lend at 5%, but the prevailing mortgage rate is 4%. In this case, bond financing would not have been practical to the HFA in the example because its full-spread 5% mortgage rate is considerably higher than its competition's 4% rate. However, if the HFA in the example has zeroes generated by a prior bond issue with excess spreads (2013A in the exhibit below) that can be used to subsidize the new bond-financed mortgages, the bond financing would be practical. That is because after the new bond sale, the HFA will have two pots of bond proceeds available for mortgage financing – one with a 5% interest rate (non-zeroes) from 2014A and the other with a 0% interest rate (zeroes) from 2013A. Therefore, the HFA in this example can blend the non-zeroes and zeroes pools to offer a 4% mortgage (see Exhibit 2).



To achieve full-spread as prescribed by the federal tax law, the HFA in this example will fund (or "participate") 85% of this mortgage with moneys from the non-zero pool and the remaining 15% from the zeroes pool. Going forward, 100% of the interest repayment from the mortgage will be used to pay debt service on 2014A bonds (whose proceeds funded the non-zeroes pool), with the principal repayment and prepayment split 85/15 between the 2014A and 2013A bonds (see Exhibit 3).

EXHIBIT 3

100% of interest repayment and 85% of principal repayment from the mortgage are used to pay 2014A debt service





Housing New Mexico

New Mexico Mortgage Finance Authority

2024 Quarter 1 (October 1, 2023 – December 31, 2023) *Production Statistics*



Jeff Payne Chief Lending Officer



Donna Maestas-De Vries Chief Housing Officer



Housing Continuum

		1				125	
Homeless Supportive programs prevent homelessness and facilitate shelter access.	Transitional Transitional housing keeps people housed, off the street, and safe.	Specialized Specialized housing helps support the housing needs of vulnerable residents.	Rental Development Workforce housing developments expand the availability of housing for residents.	Single-Family Development Single-family developments expand New Mexico's housing stock, helping more residents into homes.	Homeownership Affordable mortgage programs allow more residents to fulfill the dream of homeownership.	Homeowners Programs for homeowners to help support families and communities.	Other Innovating the future of affordable housing in New Mexico.
Emergency Homeless Assistance Program HOME American Rescue Plan Supportive Services / Emergency Solutions Grant Rapid Rehousing and Homeless Prevention Continuum of Care Youth Homelessness Demonstration Project Española Pathways Shelter	Landlord Incentive Programs Landlord Collaboration Landlord Engagement Recovery Housing: Substance Abuse Substance Abuse	Housing Opportunities for Persons With AIDS Linkages: Permanent Supportive Housing	Low-Income Housing Tax Credits HUD Risk Share 542(c) Project Based Section 8 Section 811: Rental Assistance 538: Guaranteed Rural Rental Housing Gap Financing: • HOME Rental • National Housing Trust Fund • New Mexico Housing Trust Fund Regional Housing Oversight New Mexico Preservation Loan	Primero: Low-Cost Loans Restoring Our Communities State Tax Credit Neighborhood Stabilization Single-Family Development Grant	FirstHome / FirstDown HomeForward / HomeForward DPA HomeNow FirstDown Plus Partners Tribal	HOME Rehabilitation Veterans Rehabilitation Home Improvement Program NM EnergySmart Weatherization Assistance Program Homeowner Assistance Fund	Emergency Housing Needs Congressional Funds: Community Project Funding for Fire Affected Counties Housing Innovation Program • New Mexico Ramp Project • Workforce Integration Network • Other State and Local Fiscal Recovery Funds Affordable Housing Act Constituent Services



Homeless Programs

Homeless

Supportive programs prevent homelessness and facilitate shelter access.

Emergency Homeless Assistance Program

Funding supports shelter operations, essential services, and data collection.

HOME American Rescue Plan Supportive Services / Emergency Solutions Grant Rapid Rehousing and Homeless Prevention Provides short- and medium-term rental assistance and support services for individuals and families who are homeless or who are at imminent risk of becoming homeless. Helps these individuals and families regain stability and reduce the likelihood of experiencing homelessness again.

Continuum of Care

Funds provide housing assistance to individuals/families experiencing homelessness and provide supportive services, such as assistance with medical, financial, and educational programs.

Youth Homelessness Demonstration Project

The goal is to drastically reduce the number of youth experiencing homelessness, including unaccompanied, pregnant, and parenting youth.

Española Pathways Shelter

MFA provides funding to the shelter in the form of a two-year grant of \$450,000 awarded through the New Mexico Human Services Department that is used for shelter operations to ensure that all federal regulations are met regarding safety and access for all clients while the shelter is being developed and expanded.



Homeless – Production Statistics – Q1 FY2024

HOMELESS (people assisted)									
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures				
Continuum of Care	1,142	\$120,232	\$461,966	2,095	\$414,708				
Emergency Homeless Assistance Program	1,792	\$324,726	\$944,633	3,351	\$3,903,873				
Española Pathways Shelter	2,168	\$84,829	\$219,375	164	\$345,752				
HOME-American Rescue Plan	1,032	\$456,470	\$3,077,741	711	\$1,091,621				
Rapid Rehousing/Homeless Prevention	366	\$187,624	\$868,595	532	\$855,689				
Youth Homeless Demonstration Project	322	\$110,841	\$392,350	120	\$299,356				
Total	6,822	\$1,284,722	\$5,964,660	6,973	\$6,911,000				



Transitional Programs

Transitional

Transitional housing keeps people housed, off the street, and safe.

Landlord Incentive Programs:

Landlord Collaboration

Increases access to safe, permanent, and supportive housing for youth (ages 18- 24) who are experiencing homelessness or are at-risk of homelessness.

Landlord Engagement

Increases access to safe, permanent, and supportive housing to City of Albuquerque voucher holders who are experiencing homelessness or are at-risk of homelessness.

Recovery Housing: Substance Abuse

Provides stable transitional, temporary, and permanent supportive housing for individuals in recovery from a substance use disorder.



Transitional – Production Statistics – Q1 FY2024

TRANSITIONAL (people assisted)									
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures				
Landlord Collaboration	22	\$15,054	\$90,000	81	\$95,992				
Landlord Engagement ¹	N/A	N/A	\$250,000 ²	N/A	N/A				
Recovery Housing Program ³	N/A	\$232,016	\$2,856,539	N/A	N/A				
Total	22	\$247,070	\$3,196,539	81	\$95,992				

¹ Landlord Engagement Program to start in Q2.

² Award year is July-June.

³ The Recovery Housing Program has two pending projects: the Hozho Center for Personal Enhancement and Crossroads for Women.



Specialized Programs

Specialized

Specialized housing helps support the housing needs of vulnerable residents.

Housing Opportunities for Persons With AIDS (HOPWA)

HOPWA is federal funding that supports residents with a documented HIV/AIDS diagnosis that are at or below 80% Average Median Income.

Linkages: Permanent Supportive Housing

A state-funded permanent supportive housing program that provides long-term rental subsidies, utility assistance, and supportive services to vulnerable populations. Serves homeless consumers with housing needs, prioritizing individuals with a serious mental illness, including Native Americans living off a reservation.



Specialized – Production Statistics – Q1 FY2024

		SPECIALIZED			
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures
Housing Opportunities for Persons with AIDS (individuals)	181	\$314,812	\$1,380,892	206	\$1,243,947
Linkages (households)	442	\$718,017	\$3,944,848	438	\$2,973,758
Total	623	\$1,032,828	\$5,325,740	644	\$4,217,705



Rental Development Programs

Rental Development

Workforce housing developments expand the availability of housing for residents.

Low-Income Housing Tax Credits (4% and 9%)

Federal program for low- and very low-income renters which bases tax credit allocation on state population.

HUD Risk Share 542(c) and 538 Rural Development Risk Share

Federal programs for multifamily loans, permitting state HFAs to process, underwrite and service loans and to manage and dispose of properties which fall into default.

Section 8 Project Based Contract Administration (PBCA)

Since 2000 MFA has served as the PBCA for HUD. MFA has a contract with HUD to perform administrative functions for their NM Project-Based Section 8 properties. Section 8 is a HUD program that subsidizes rent for low-income tenants. MFA manages HUD's Section 8 portfolio in NM as part of the PBCA contract.

Section 811: Rental Assistance

Provides project based rental assistance for extremely low-income persons with disabilities who are linked with long-term services. The program works like the Section 8 program; the rental assistance covers the difference between the tenant payment and the property's contract rent.

Regional Housing Oversight

In 2009, MFA Legislative Oversight Committee, Department of Finance & Administration and the Legislative Finance Committee were mandated to create a plan to reform the Regional Housing Authorities. MFA has been providing the required oversight since 2009.



Rental Development Programs



Rental Development

Workforce housing developments expand the availability of housing for residents.

Gap Financing:

HOME Rental

Provides gap financing for a variety of affordable and special needs housing projects throughout New Mexico. HOME funds typically are used in combination with other housing resources such as MFA's Low-Income Housing Tax Credit and HUD 542(c) loan programs. Funds are made available under the "HOME Investments Partnership Program" pursuant to Title II of the National Affordable Housing Act of 1990. HOME Rental awards are made to private for-profit developers, nonprofit organizations, housing authorities, units of local government, and individuals for constructing or acquiring and rehabilitating affordable housing for renters.

National Housing Trust Fund (NHTF)

Loans assist in construction or acquisition/rehab of affordable housing for extremely low-income households whose incomes do not exceed the greater of 30% Area Median Income (AMI) or the federal poverty line.

New Mexico Housing Trust Fund (NMHTF)

Flexible funding for housing initiatives that provide construction and/or preservation of affordable housing of single or multifamily housing for persons or households of low or moderate income.

New Mexico Preservation Loan

Provides funding for projects to support the preservation of at-risk affordable housing in the state.

Rental Development – Production Statistics – Q1 FY2024

RENTAL DEVELOPMENT (YTD units assisted may be double counted, but the funds loaned or expended are accurate.)									
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Units Assisted	2023 Expenditures				
American Rescue Plan Act	66	\$2,800,000	\$7,640,638 ⁴						
Home Rental	167	\$2,400,000	\$6,829,558	Included in LIHTC	\$1,715,000				
New Mexico Housing Trust Fund	101	\$5,500,000	\$22,130,000	Included in LIHTC	\$3,622,031				
Low-Income Housing Tax Credits	462	\$6,441,602	\$56,891,020	1,294 created or preserved	\$7,089,550				
National Housing Trust Fund	234	\$2,000,000	\$3,831,868	Included in LIHTC	\$1,725,000				
Section 811	41	\$62,541	~ \$377,312	41	\$263,630				
Section 8	5,209	\$9,268,176	~ \$37,933,853	5,209	\$35,509,200				
Tax Credit Assistance Program	32	\$1,000,000	N/A						
NM Preservation Loan ⁵ (New Program)	New								
Total Rental Development Unique Units	389								
Total	6,701	\$29,472,319	\$127,993,611	6,544	\$49,924,411				

⁴ \$7,640,638 designated for two projects but not yet expended for 77 housing units

⁵ NM Preservation Loan - evaluating applications.

MFA Housing New Mexico

~ Amount is estimated as the number is based on the number of residents in the units and their income which fluctuates every month.

REA HOUSING New Mexico

Single-Family Development Programs

Single-Family Development

Single-family developments expand New Mexico's housing stock, helping more residents into homes.

Primero: Low-Cost Loans

A flexible, low-cost loan program created to finance the development of affordable rental, special needs residential facilities, or single-family subdivisions that might be considered "high risk" by traditional lenders.

Restoring Our Communities

Provides funding for the acquisition, rehabilitation, and resale of single-family homes with a goal of increasing homeowner opportunities for low- and moderateincome households.

State Tax Credit

A tax credit program created by the State of New Mexico to encourage charitable donations to affordable housing projects.

Neighborhood Stabilization (NSP)

Program was established as a result of the 2008 mortgage crisis to provide emergency assistance to stabilize communities with high rates of abandoned and foreclosed homes in order to preserve and improve communities and to provide affordable housing opportunities. MFA successfully completed 78 single-family home projects and one multifamily rental development using these funds under the original grant allocations from 2008-2014. In October 2019, MFA entered into a contract with DFA to receive and expend the state's remaining NSP grant funds. MFA staff developed a new state program which was limited to acquisition, rehabilitation and sale of NSP-funded properties. MFA expended 100% of the funds by March 31, 2022, in compliance with Joint Powers Agreements with DFA. MFA rehabilitated 15 vacant properties to affordable single-family housing with NSP Funds.

Single-Family Development Grant

Created to address supply-side challenges to homeownership opportunities for low- and moderate-income New Mexicans. Aims to increase the development of affordable homes for homeownership by making available flexible funding to single-family development projects throughout New Mexico, including Tribal and rural communities that are "shovel ready." Primarily used as gap funding for projects that meet the program's threshold criteria.



Single-Family Dev. – Production Statistics – Q1 FY2024

SINGLE-FAMILY DEVELOPMENT

(Units may be double counted, but the funds loaned or expended are accurate.)

Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures	2023 Award
State Tax Credit	6	\$252,500	\$5,500,000*	285	\$1,205,000	\$5,517,508
Restoring Our Communities**			\$4,000,000			
Single-Family Development Grant**						
Total	6	\$252,500	\$9,500,000	285	\$1,205,000	\$5,517,508

*Anticipated award.

**Projects within program are in progress.



Homeownership Programs

Homeownership

Affordable mortgage programs allow more residents to fulfill the dream of homeownership.

FirstHome / FirstDown:

FirstHome

An affordable mortgage loan option for first-time homebuyers.

FirstDown

An amortizing down payment assistance program with monthly payments that must be combined with FirstHome funded through Housing Opportunity Fund (General Fund).

HomeForward / HomeForward DPA:

HomeForward

A first mortgage loan option for non-first-time homebuyers. Formerly known as NextHome. HomeForward DPA A 10 or 15 year, amortizing down payment assistance program with monthly payments that must be

combined with Home Forward.

HomeNow

A down payment and closing cost second mortgage loan that is available to first-time homebuyers who have lower household incomes.

FirstDown Plus

A third mortgage down payment assistance loan designed to provide additional down payment to first-time homebuyers qualified to use MFA's FirstHome program.

Partners

MFA purchases first-time homebuyer loans originated by Habitat for Humanity affiliates in New Mexico.

Tribal

MFA increases lender compensation for single-family mortgage loans originated on Tribal land.



Homeownership – Production Statistics – Q1 FY2024

HOMEOWNERSHIP									
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Households Assisted	2023 Expenditures				
1 st Mortgages (First Home and TBA)	580	\$132,889,825	\$407,000,000 ⁶	1,842	\$375,640,285				
Down payment assistance (all programs)	437	\$3,786,199	\$20,750,000 ⁷	(duplicated) 1,507	\$12,298,555				
Partners (from General Fund)	3	\$234,852	\$449,372	5	\$111,445				
Total	1,020	\$136,910,876	\$428,199,372	1,847	\$388,050,285				

⁶ 2024 Private Activity Bond Cap Allocation from State Board of Finance \$221,645,000 2023 Private Activity Bond Cap Allocation from State Board of Finance \$342,715,000

⁷ \$8,500,000 from NM Housing Trust Fund and \$12,250,000 from MFA General Fund



Homeowners Programs

Homeowners

Programs for homeowners to help support families and communities.

HOME Rehabilitation and Veteran Rehabilitation Program

Covers home rehabilitation, health and safety, fall reduction, accessibility modifications, caregiver modifications and code compliance upgrades.

Home Improvement Program

An MFA direct-services home rehabilitation program that covers eight counties not currently served by the Home Rehabilitation program's six service providers.

NM Energy\$mart Weatherization Assistance Program

Offers weatherization services that help make homes more comfortable and energy efficient - at no cost to qualified homeowners.

Homeowner Assistance Fund

The New Mexico Homeowner Assistance Fund provides housing grants to income eligible households experiencing financial hardship associated with the COVID 19 health crisis.



Homeowners – Production Statistics – Q1 FY2024

HOMEOWNERS									
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures				
Homeowner Assistance Fund	761	\$6,210,232	\$48,017,213 ⁸	2,919	\$24,056,204				
Home Improvement Program ⁹ (units)	1	\$49,500	\$1,500,000	0	0				
Home Rehabilitation (units)	7	\$377,201	\$5,370,728	16	\$1,667,225				
Veteran Rehabilitation (units)	3	\$0	\$1,500,000	10	\$536,283				
Weatherization (single-family units)	389	\$4,152,500	\$31,102,403	568	\$11,841,000				
Total	1,161	\$10,789,433	\$87,928,104	3,513	\$38,100,712				

⁸ Total Award

⁹ Home Improvement Program – Pending applications



Other Programs

Other

Innovating the future of affordable housing in New Mexico.

Emergency Housing Needs

A mechanism for MFA to quickly deploy assistance to respond to emergency housing situations as they arise.

Congressional Funds: Community Project Funding for Fire Affected Counties

Supports the construction of temporary and permanent housing, rehabilitate housing and provide housing support and stability services to meet the needs of New Mexicans who are or were displaced as a result of wildfires or otherwise affected by the wildfires.

Housing Innovation Program

A resource to spur innovative housing projects and create an opportunity to test novel housing solutions.

State and Local Fiscal Recovery Funds

In response to the severe economic impact produced by the pandemic and resulting recession.

Affordable Housing Act

The Affordable Housing Act provides a statutory exception to the Anti-Donation Clause in the New Mexico Constitution. Under the act, municipalities, counties, and school districts may make donations/contributions for affordable housing development.

Constituent Services

MFA assists members of the general public by helping them access housing, information about mortgages or other emergency housing needs through one of MFA's many service providers throughout the state.



Other Programs – Production Statistics – Q1 FY2024

		OTHER			
Program	YTD Assisted	YTD Expended	2024 Year Award	2023 Assisted	2023 Expenditures
Housing Innovations (units)	5	\$110,465	\$5,000,000 ¹⁰	22	\$267,305
Congressional Funds: Community Project Funding for Fire Affected Counties			\$3,000,000 ¹¹		
Constituent Service Requests from Governor's Office	18	N/A	N/A	82 ¹²	N/A
Total	23	\$110,465	\$8,000,000	104	\$267,305

¹⁰ Total award.

¹¹ Total award.

¹² April-Sept. 2023

Affordable Housing Act 37 Participating Government Entities Total Contributions Made Since 2018: \$97.8 Million in Donations



Housing Innovations – Production Statistics

Housing Innovations		
Project	Assisted	Awards to Date
San Felipe Pueblo (single-family roof replacements)	27	\$350,000
New Mexico Ramp Project (accessibility improvements)	Estimated 100	\$500,000*
Vista de Plata (infrastructure)	8 (Phase I)	\$500,000*
Sawmill Community Land Trust ¹³ (multifamily roof replacements)	105	\$262,498*
Total	240	\$1,612,498

¹³ New award.

* Anticipated awards.



RFA Housing New Mexico

All Programs – Production Statistics – Q1 FY2024


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New Mexico Mortgage Finance Authority

Comments or Questions?



344 Fourth St. SW | Albuquerque, NM 87102 | 505.843.6880

Exhibit A

FY 2024 Strategic Plan Updated Benchmarks

Goal 1: Create affordable housing opportunities that support and strengthen New

Mexico's communities

Proposed New Benchmarks

- 1. Provide mortgage financing for 1,800 homebuyers.
- 2. Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico.
- 3. Finance the development and/or preservation of 1,800 rental and homeownership units.
- 4. Maintain a 35% exit rate of individuals experiencing homelessness served to permanent housing through ESG.
- 5. Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%.
- 6. Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate (purchase loans only).
- 7. Evaluate at least six new products, business model, financial tool or significant program or product improvements.

Goal 2: Build a network of advocates and partners that work to create and promote

affordable housing in the state

Proposed New Benchmarks

- 8. Achieve 8,400 social media engagements.
- 9. Expand services of at least three programs to an underserved area of the state.
- 10. Conduct outreach to and/or assist at least 100 local governments, tribal governments, potential new program partners and/or elected officials.
- 11. Provide at least 75 formal group training opportunities for property owners, developers, service providers and/or lenders.
- 12. Plan MFA housing summit, open house, or networking event.

Goal 3: Maintain judicious financial stewardship and principled, efficient business practices

Proposed New Benchmarks

- Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.
- 14. Maintain or improve credit rating.
- 15. Achieve operating performance and profitability equal to net revenues over total revenues of at least XX%, based on five-year average.
- 16. Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least XX%, based on five-year average.
- 17. Realize administrative fee of at least 18 basis points on all bond issues.
- 18. Realize profitability of XX% on TBA executions.
- 19. Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio.
- 20. Earn 100% base fees for PBCA contract.
- 21. Yield a collection rate of 98% or greater for compliance monitoring fees.
- 22. Meet commitment and expenditure requirement of 95% of recurring grant funding.
- Commit 75% of STB recurring funding annually in resources for affordable housing through expenditure of New Mexico Housing Trust Funds by June 30, 2024.
- 24. Increase funding by at least one new source.
- 25. Improve at least 15 MFA processes or resources.

Goal 4: Provide robust technological solutions

Proposed New Benchmarks

- 26. Maintain a RS3 score greater than or equal to 780, averaged over four quarters.
- 27. Achieve a Recovery Point Objective (RPO) for infrastructure servers at or below ten minutes and a Recovery Time Objective (RTO) at or below six hours.
- 28. Implement new software solutions.

Goal 5: Foster a healthy, dynamic and team-oriented work environment

Proposed New Benchmarks

- 29. Participate in Annual Employee Engagement Survey and determine and implement actionable steps to address opportunities for improvement.
- 30. Plan move to 7425 Jefferson St. NE.
- 31. Complete compensation review.

DISCLOSURE STATEMENT-2024

To: NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) CHAIR AND EXECUTIVE DIRECTOR

From: <u>Patricia A. Sullivan</u> (Member, Proxy, Management, Employee)

Date: ____April 12, 2024__

The undersigned Member, Management or Employee states that he/she has read and understands the New Mexico Mortgage Finance Authority Code of Conduct and that the information provided below is, to the best of his/her knowledge and belief, accurate and complete in all respects, as of the date hereof.

The following is a list of all Businesses in which either I, or a Family Member, have a Financial Interest (as defined in the Code of Conduct) which are engaged or proposing to engage in a Transaction with MFA. If the answer is **"none"**, please write **"none"**.

Name of Business: <u>Through my employment with New Mexico State University, I am the Principal</u> <u>Investigator on a cooperative agreement with the U.S. Environmental Protection Agency to provide</u> technical assistance to applicants pursuing federal grant funding opportunities. A percentage of my salary is covered from this cooperative agreement. It has been disclosed to me that UWU is a member of Justice Square, LLC. an entity that recently made an offer to purchase real property owned by MFA and located at 344 Fourth Street SW, Albuquerque, NM 87102. As such, I hereby disclose that I am currently providing technical assistance to the Unemployed Workers United "UWU"organization and will subsequently recuse myself from any Committee meetings where the purchase of said real property is being discussed, and will also recuse myself from considering and voting on matters related to said property.</u>

If Employee Transaction, approximate value of the Transaction, if applicable:

_____n/a_____

The following is a list of all MFA programs or proposed programs that I, or a Family Member (i.e., spouse, domestic partner, children, parents, siblings, grandparents, parents-in-law, brother-in-law or sister-in-law, uncle, aunt, first cousin, or anyone residing in the household), am likely to participate in and/or benefit from. If the answer is **"none"**, please write **"none"**: <u>I am currently unaware of any family member likely to participate in and/or benefit from MFA programs. I will, however, recuse my self from any and all votes, should a future conflict arise.</u>

Patricia Signed: <u>Sullivan</u> Digitally signed by Patricia Sullivan Date: 2024.04.12 11:16:49

NOTE: Use additional sheets as necessary.

Staff Actions Requiring Notice to Board During the Period of March 2024

Department and Program	Project	Action Taken	Comments / Date Approved
Housing Development Department	Ceja Vista Apartments	In 2018, Ceja Vista Senior Apartments development was approved for an MFA National Housing Trust Fund Ioan in the amount of \$400,000. The project has applied to Fannie Mae for a \$1,729,000 supplemental Ioan. For the supplemental Fannie Mae Ioan to be approved, Fannie Mae will require the Ioan to be placed in second lien position causing the MFA National Housing Trust Fund Ioan to fall to the third position. Staff recommended approval to place the MFA National Housing Trust to be placed in the third lien position and the action was approved.	Approved by Jeff Payne on March 15, 2024.
Community Development Department – HIP Program	Vehicle rental and equipment purchase.	Approval of a long-term vehicle rental in the amount of \$1,200.00 per month for the HIP project manager to travel and determine the scope of work for eligible projects. This will be from March – September 2024. In addition, the purchase of equipment for field work in the amount of \$779.74 was approved.	Approved by Policy Committee on March 11, 2024



New Mexico Mortgage Finance Authority Marketing & Communications Monthly Report March 1-31, 2024

Press Releases

March 11

New Mexico Homeowner Assistance Fund provides over \$43 million to more than 4,200 households

https://housingnm.org/about-mfa/news/new-mexico-homeowner-assistance-fund-providesover-43-million-to-more-than-4200-households

March 19

New Mexico Mortgage Finance Authority unveils its 2023 Top Metro and Rural Mortgage Lenders who are fueling affordable housing

<u>https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-unveils-its-</u> 2023-top-metro-and-rural-mortgage-lenders-who-are-fueling-affordable-housing

March 28

New Mexico Mortgage Finance Authority administers over \$585 million, serving nearly 19,000 households in fiscal year 2023

https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-administersover-585-million-serving-nearly-19000-households-in-fiscal-year-2023

Podcast Interview

March 25 Richard Eeds Show (Isidoro Hernandez) SantaFe.com | Hutton Broadcasting https://santafe.com/podcast/richard-eeds-show-march-25-2024-2/

Real Estate TV Show Interview

March 23

The American Dream TV: New Mexico (Jeff Payne)

https://theamericandreamnetwork.vhx.tv/new-mexico/videos/the-american-dream-tv-new-

mexico-9

Media Mentions/News Coverage







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Guadalupe County Communicator

Publication Date: 03/01/2024 Page Number: 004



Title: Governor taking on homelessness, housing crisis Author: By Patrick Lohmann Source New Mexico Size : 58 Inches Sq Santa Rosa, NM Circulation: 2100 1010 Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

Governor taking on homelessness, housing crisis

By Patrick Lohmann Source New Mexico

Gov. Michelle Luian Grisham attended her first-ever meeting of the Mortgage Finance Authority board Feb. 21, where she asked for more collaboration with the authority to address housing shortages and homelessness.

The governor's visit comes after she made housing one of her priorities during the legislative session that wrapped up last week, one in which lawmakers approved about \$200 million in various types of housing investments. She also pushed hard for the Legislature's approval of an executive "Office of Housing," a proposal that the MFA lobbied against and that ultimately

died in the state Senate.

Lujan Grisham asked the MFA to appoint members to a committee who would work with counterparts from her administration to share data and ideas for addressing the housing shortage. She also proposed the two entities join forces to handle emergency calls from residents facing sudden housing crises.

"We're circling around each other without clear insight about. 'How much can we get done?"" the governor told the MFA board.

The state lacks at least 32,000 affordable housing units to meet demand, according to a recent MFA study. There's been a sharp increase in homelessness across the state over the last few years. And the

governor warned that new people moving into the state, including workers for three companies she said would announce openings soon, would exacerbate the housing shortage.

The MFA has been the state's designated housing agency since 1998. It has a staff of 120 people who oversee more than 40 housing-related programs.

Executive Director

Isidoro "Izzy" Hernandez told the board the authority in 2023 provided about \$10.3 million to build 285 homes and oversaw \$47 million to provide housing vouchers and homelessness services to about 12,000 people.

But the governor told the board that the size of the problem requires far more resources and coor-

dination. She said that 285 homes built in a year is "fantastic," but that making real headway would require thousands of new homes built annually.

Many of the people MFA helps, particularly those who shuffle in and out of shelters, are inefficiently served, bouncing between agencies, often at great cost to taxpavers, she said. Board members who

spoke said that more coordination could be useful. and chair Angel Reves said he was open to the governor's ideas.

"I look forward to whatever it means to follow up with your office and your staff to figure out how we start to make the steps to collaborate together." he said.

This legislative session, lawmakers spent \$125 million on loans for housing projects and infrastructure. They also gave the MFA's Housing Trust Fund \$50 million for the next fiscal year, on top of the roughly \$37.5 million it gets each year via severance tax bond payments. Lawmakers also approved about \$20 million for "statewide homelessness services."

Guadalupe County Communicator Publication Date: 03/01/2024 Page Number: 004



Title: Governor taking on homelessness, housing crisis Author: By Patrick Lohmann Source New Mexico Size : 58 Inches Sq Santa Rosa,NM Circulation: 2100 Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



Gov. Michelle Lujan Grisham addresses the New Mexico Mortgage Finance Authority for the first time ever on Feb. 21. (Photo by Patrick Lohmann, Source New Mexico)

County: Guadalupe 366355-03-01_004001.pdf

Guadalupe County Communicator

Publication Date: 03/01/2024 Page Number: 007



Title: MFA to offer home rehab services

Author:

Size : 12 Inches Sq Santa Rosa,NM Circulation: 2100 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



MFA to offer home rehab services

The New Mexico Mortgage Finance Authority (MFA) will offer direct home rehabilitation services through its new Home Improvement Program in eight counties where they currently do not have a service provider for the HOME Rehabilitation Program.

MFA's HOME Rehabilitation Program provides repairs to bring homes up to code, essential improvements that are non-luxury in nature, including roof and mobile home replacement, and accessibility modifications to homeowners who lack the resources to do so.

MFA currently contracts with six service providers that administer home rehabilitation services in all but eight counties. Through its new Home Improvement Program, MFA will serve residents in Guadalupe, Harding, Los Alamos, McKinley, Rio Arriba, Quay, San Juan and Union Counties. These are the eight counties that don't currently have a service provider.

-Union County Leader

Page 478 of 549

Alamogordo Daily News Publication Date: 03/02/2024 Page Number: 001



Title: NM governor signs bills on housing and infrastructure Author: Patrick Lohmann Source New Mexico Size : 80 Inches Sq Alamogordo,NM Circulation: 6100 Keywords: Housing Trust Fund ~ Mortgage Finance Authority



NM governor signs bills on housing and infrastructure

Patrick Lohmann Source New Mexico

Gov. Michelle Lujan Grisham signed three bills Wednesday that she said would open the door for more investments in housing, roads, bridges and other infrastructure.

House Bills 177, 232 and 195 enable the spending of at least \$200 million in spending, including \$125 million in loans for new housing development, and adds more staff for infrastructure planning and development.

Another bill approves \$75 million in funds allocated to help local governments in the state meet the financial match requirements for federal grants, including some federal disaster programs that require these governments to pay 25% of costs to receive the other 75% from the federal government.

"It's better for our health and our public safety when we have solid, safe infrastructure like roads and safe drinking water," the governor said before signing the bills at a news conference Wednesday. "But it's also necessary to a robust economy."

Taken together, the governor said the new laws should reassure New Mexicans that roads will be safe to drive on, that local governments will be able to invest in new infrastructure or disaster response, and that housing

See BILLS, Page 4A



Sen. Pete Campos, D-Las Vegas, left, watches as Gov. Michelle Lujan Grisham signs House Bills 177, 195, and 232, dealing with infrastructure and housing, into law during a news conference at her office in Santa Fe, Feb. 28. EDDIE MOORE/JOURNAL

Bills

Continued from Page 1A

will be more affordable in the future.

HB 195

The housing bill the governor signed was one of her priorities in the 30-day legislative session that

wrapped up earlier this month. It allows the New Mexico Finance Authority to issue loans for housing development from a revolving fund that previously was only used for commercial development.

New Mexico lacks around 32,000 units of affordable housing, according to a study conducted by the Mortgage Finance Authority last year. One solution, Lujan Grisham said, to combat homelessness and help more families live where they work is to vastly in-

County: Otero 367651-03-02 001007.pdf



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crease the supply of housing across the state.

"We gotta build houses," she said. "And we gotta figure out more opportunities for affordable housing."

Before any homes are built, the New Mexico Finance Authority has to create rules for developers applying for the funds, and then it will evaluate the projects. It's not clear how long that will take, or how long before the ribbon is cut on new housing developments. The governor said she is hopeful that money would start flowing out of the loan fund in July and that projects could be approved to break ground by this fall.

"We do need tens of 1000s of houses, and we needed them last year or the year before," she said. "So we are really highly motivated."

The \$125 million in loans is on top of \$50 million in one-time funding for a **housing trust fund**, plus \$20 million for programs to combat homelessness, that the governor and lawmakers have touted as the biggest housing investment in state history.

HB 177

The glut of federal infrastructure money made possible through recent acts of Congress motivated lawmakers this session to approve \$75 million in a "matching fund" that allows local governments to qualify for some of those projects.

Sen. Pete Campos (D-Las Vegas) said at the bill signing event that small, rural areas have had to leave federal money on the table in the past because they couldn't come up with sufficient money to cover even a portion of project costs.

For example, rural towns and counties struggled to qualify for federal disaster aid after wildfires and floods battered northern and southern New Mexico in

the spring and summer of 2022. Last legislative session, the Legislature approved \$100 million in loans to help local governments qualify for disaster aid.

Campos has said the matching fund tries to build on the success of that loan program, and widens the scope to more than just disaster recovery.

"I represent all our parts of 36 communities," Campos said of his sprawling northern New Mexico district. "These are small communities. Most of them don't have that match to go ahead and continue to build their particular infrastructure."

The governor is expected to sign additional bills in the coming days, including a suite of laws related to guns and criminal justice. She will sign health care bills on Friday in Truth or Consequences.

She has so far, however, not signaled whether she will call a special meeting of the Legislature regarding public safety legislation, a possibility she floated when the 30-day session wrapped two weeks ago.

Lawmakers sent 78 pieces of legislation to her desk during the short session, including a budget of more than \$10 billion.

Other signed bills

Following the signing ceremony on Wednesday, the governor's office released a list of additional bills she signed:

House Bill 211: Water Project Prioritization

House Bill 148: Water Project Fund Projects

Senate Bill 169: Land and Water Conservation Fund Changes

House Bill 28: Public Project Revolving Fund Projects

House Bill 29: Public Project Fund Appropriations House Bill 5: Workforce Development and Apprenticeship Fund

Senate Bill 216: New Mexico Finance Authority Affordable Housing Projects

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County: Otero

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Carlsbad Current-Argus

Publication Date: 03/02/2024 Page Number: 001



Title: Grisham signs bill on roads, housing Author: Patrick Lohmann Source New Mexico Size : 87 Inches Sq Carlsbad,NM Circulation: 5941 Keywords: Housing Trust Fund ~ Mortgage Finance Authority

Grisham signs bill on roads, housing

Patrick Lohmann

Source New Mexico

Gov. Michelle Lujan Grisham signed three bills Wednesday that she said would open the door for more investments in housing, roads, bridges and other infrastructure.

House Bills 177, 232 and 195 enable the spending of at least \$200 million in spending, including \$125 million in loans for new housing development, and adds more staff for infrastructure planning and development.

Another bill approves \$75 million in funds allocated to help local governments in the state meet the financial match requirements for federal grants, including some federal disaster programs that require these governments to pay 25% of costs to receive the other 75% from the federal government.

"It's better for our health and our public safety when we have solid, safe infrastructure like roads and safe drinking water," the governor said before signing the bills at a news conference Wednesday. "But it's also necessary to a robust economy."

Taken together, the governor said the new laws should reassure New

See BILLS, Page 2A



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Bills

Continued from Page 1A

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Title: Grisham signs bill on roads, housing Author: Patrick Lohmann Source New Mexico Size : 87 Inches Sq Carlsbad,NM Circulation: 5941 Keywords: Housing Trust Fund ~ Mortgage Finance Authority

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> For example, rural towns and counties struggled to qualify for federal disaster aid after wildfires and floods battered northern and southern New Mexico in the spring and summer of 2022. Last legislative session, the Legislature approved \$100 million in loans to help local governments qualify for disaster aid.

> Campos has said the matching fund tries to build on the success of that loan program, and widens the scope to more than just disaster recovery.

> "I represent all our parts of 36 communities," Campos said of his sprawling northern New Mexico district. "These are small communities. Most of them don't have that match to go ahead and continue to build their particular infrastructure."

> The governor is expected to sign additional bills in the coming days, including a suite of laws related to guns and criminal justice. She will sign health care bills on Friday in Truth or Consequences.

> She has so far, however, not signaled whether she will call a special meeting of the Legislature regarding public safety legislation, a possibility she floated when the 30-day session wrapped two weeks ago.

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Sen. Pete Campos, D-Las Vegas, left, watches as Gov. Michelle Lujan Grisham signs House Bills 177, 195, and 232, dealing with infrastructure and housing, into law during a news conference at her office in Santa Fe on Feb. 28. EDDIE MOORE/JOURNAL

Farmington Daily Times



Publication Date: 03/02/2024 Page Number: 001 Title: NM governor signs bills on housing and infrastructure Author: Patrick Lohmann Source New Mexico Size : 129 Inches Sq Farmington,NM Circulation: 18952

Keywords: Housing Trust Fund ~ Mortgage Finance Authority





NM governor signs bills on housing and infrastructure

'We gotta build houses'

Patrick Lohmann

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Taken together, the governor said the new laws should reassure New Mexicans that roads will be safe to drive on, that local governments will be able to invest in new infrastructure or disaster response, and that housing will be more affordable in the future.

Farmington Daily Times Publication Date: 03/02/2024 Page Number: 001



Title: NM governor signs bills on housing and infrastructure Author: Patrick Lohmann Source New Mexico Size : 129 Inches Sq Farmington,NM Circulation: 18952 Keywords: Housing Trust Fund ~ Mortgage Finance Authority

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See BILLS, Page 2A

Bills

Continued from Page 1A

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Title: NM governor signs bills on housing and infrastructure Author: Patrick Lohmann Source New Mexico Size : 129 Inches Sq Farmington,NM Circulation: 18952 Keywords: Housing Trust Fund ~ Mortgage Finance Authority



Sen. Pete Campos, D-Las Vegas, left, watches as Gov. Michelle Lujan Grisham signs House Bills 177, 195, and 232, dealing with infrastructure and housing, into law during a news conference at her office in Santa Fe, Feb. 28. EDDIE MOORE/JOURNAL

Hobbs News-Sun

Publication Date: 03/07/2024 Page Number: 001

newz group

Title: Community News

Author: Size : 11 Inches Sq Hobbs,NM Circulation: 11074 Keywords: New Mexico Mortgage Finance Authority



Community News

Lea County Housing, Inc. will be offering the **FIRST TIME** HOME BUYER EDU-**CATION COURSE** in Hobbs from 9-11:30 a.m. beginning April 6. The class is a fourday course with subsequent course days April 13, 20 and 27. There is no charge or cost associated with this training. Attendance at all four sessions of this four-part course is required by many mortgage companies to purchase homes and to access MFA First Time Home Buyers Down Payment and Closing Cost Assistance Programs. Call Russ Doss at 575-691-9637 to sign up or for additional information.

County: Lea 362290-03-07_001002.pdf

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Roswell Daily Record Publication Date: 03/07/2024 Page Number: 001



Title: Lujan Grisham signs \$10.21 billion budget Author: B y A lex R oss R oswell D aily R ecord Size : 66 Inches Sq Roswell,NM Circulation: 9644 Keywords: Housing Trust Fund

Lujan Grisham signs \$10.21 billion budget

BY ALEX ROSS ROSWELL DAILY RECORD

Gov. Michelle Lujan Grisham on Wednesday put her signature on a state budget.

L u j a n G r i s h a m announced her approval of House Bill 2 (H.B. 2), a \$10.21 state budget, in a press release issued moments before the noon deadline to act on bills passed during the recent 30-day session. Those measures not signed, vetoed or line-item vetoed before then will be subject to an auto-

matic veto, according to state law.

"The budget I signed today represents a strong investment in New Mexico's future with funding to Improve literacy, help keep New Mexicans safe, expand affordable housing, raise teacher pay, assist tribal governments and much more," Lujan Grisham said.

"I want to thank New Mexicans for their input during the budget process, as well as state lawmakers for send-

See BUDGET, Page A3
Budget
Continued from Page A1

ing this carefully considered

bill to my desk," she added.

The spending for the fiscal year 2025, which begins July 1, represents an increase of \$653 million, or 6.8%, above spending levels for the current fiscal year that ends on June 30. It also sets reserves at 32.5%; provides a 3% raise for school personnel and state employees; and directs \$220 million to the New Mexico Department of Transportation for roads, infrastructure and litter control.

Lawmakers approved the surge in spending as the state is awash in \$3.49 billion in surplus revenue.

H.B. 2 is less than the \$10.5 billion budget proposal Lujan Grisham had submitted before the session to increase spending by nearly 10%, but is more than the \$10.1 billion proposal that the Legislative Finance Committee put forth that would have boosted spending by only 5.9%.

The press release, issued Wednesday, pointed to investments in education,

public safety, infrastructure, and natural resources management, beautification and housing initiatives. Items in the budget include \$50 million to the New Mexico Mortgage Financial Authority Housing Trust Fund; \$19.7 million for statewide homeless initiatives; and \$10 million in transitional housing for victims of domestic violence. Some \$3.3 million will go toward housing options for those with substance abuse disorders and mental health issues.

Spending related to education in the final draft of the budget signed into law includes \$86 million for initiatives to enhance literacy; \$41 million for universal free school lunches for students; \$6 million for special education programs; and \$5 million for boosting school attendance.

Albuquerque Public Schools will receive \$4 million for what the press release describes as "school turnaround" pilot projects.

On public safety, \$50 million goes toward efforts to recruit law enforcement and first responders, with a corrections and law enforcement recruitment fund, and

a firefighter recruitment



Title: Lujan Grisham signs \$10.21 billion budget Author: B y A lex R oss R oswell D aily R ecord Size : 66 Inches Sq Roswell,NM Circulation: 9644 Keywords: Housing Trust Fund

> fund each receiving \$25 million.

The press release announcing the signing of the budget also mentioned expenditures for infrastructure and natural resources. Those items include \$75 million for a newly created match fund, which will provide money for the state to put up to receive federal funding for state projects.

There is also \$550 million for road improvements, \$50 million to the Water Projects Fund, \$300 million to the Conservation Legacy Permanent Fund and \$25 million for expanding access to broadband.

Another \$10 million is directed to the New Mexico Climate Innovation Center,

which provides loans at low interest rates to communities for projects to curb greenhouse gas emissions.

Investments were made in the budget for beautification, including \$53 million for state and city-operated parks, and \$10 million for beautification of roadways.

Funding for capital outlay and General Obligation Bonding includes \$71 million for public safety, \$92 million for parks and recreation, and \$44 million for the purchases and upgrades related to correctional facilities throughout New Mexico.

Some \$30 million will go toward a new literacy center, while there will be \$33 million for senior center projects, and \$15 million for electric vehicle infrastrucIn a message from the governor's office, Lujan Grisham said she did veto portions of the budget which, she said, attempted to enact policy by establishing reporting, or other requirements, that "restrict appropriations to specified functions" of administrative agencies, actions which Lujan Grisham argues hinder the ability of the executive branch to administer programs.

Lujan Grisham also struck from the budget an amendment to prohibit money budgeted to the New Mexico Public Education Department from being used to implement or enforce a possible rule to mandate that all school districts have 180 days of classroom instruc-

tion or five-day school weeks.

Currently, school districts in New Mexico can opt for a four-day school week, which consists of a minimum of 156 days of classroom instruction per year.

The proposed rule change, floated by the New Mexico Public Education Department, has sparked pushback from some school districts and legislators who say it impedes local control of school policy, and could lead to increased operating costs for school districts.

Some lawmakers have also noted that having the option of adopting a four-day school week serves as a tool to help recruit teachers to remote communities.

ture.

Santa Fe New Mexican

Publication Date: 03/10/2024 Page Number: 001



Page 491 of 549

Title: Edgewood using cannabis revenue to fix nuisance properties Author: By Robert Nott rnott@sfnewmexican.com Size : 192 Inches Sq Santa Fe,NM Circulation: 19157 Keywords: Mortgage Finance Authority



Edgewood using cannabis revenue to fix nuisance properties

Town leaders hope to pave way for affordable housing

By Robert Nott

rnott@sfnewmexican.com

EDGEWOOD — Looking down on what he called a "million-dollar view," Brad Hill saw the potential for building an affordable house on the site of a what is an unofficial dump.

Hill's eyes fell upon a vacant and dilapidated trailer — surrounded by abandoned junk and piles of garbage. Even in this small Santa Fe County

town of 6,000 people, they call these sites nuisance properties.

"People will come and dump trash on these sites," Hill, the town planning and zoning manager, said of the trailer, which was full of buckets, canned food from decades past, a pyramid-shaped stack of video cassettes and — almost certainly — rodents.

It's one of more than a dozen such properties Edgewood is tearing down, with funding provided by an unusual source: cannabis excise tax money.

Hill said the money, derived from

Please see story on Page A-6

Edgewood cannabis revenue fixing nuisance properties

Continued from Page A-1

taxes on the three now-legal cannabis shops in town, amounts to between \$7,000 and \$8,000 every month. For the most part, the cost of tearing down derelict houses — many of them manufactured — is about \$5,000.

newz group

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> An Edgewood native, Hill has served as a town councilor, mayor and, for a while, the affordable housing compliance manager for the New Mexico Mortgage Finance Authority, the state's main housing agency.

> "One of the failings we have in this community," Hill said, "is we never had proper control over development that prevented properties from becoming nuisance properties."

Issuing criminal citations didn't always work: Hill said their net effect was like issuing a "traffic ticket" that required the town to reach a standard of proof "beyond a reasonable doubt," which wasn't easy to do.

Hill said Town Commissioner Filandro R. Anaya came up with the idea to pass an ordinance allowing for the use of the cannabis excise tax revenue that comes to local municipalities under the Cannabis Regulation Act.

The process works like this: the town identifies the property and posts an abatement notice, giving the owners 10 days to address the issue. If that goes nowhere, Edgewood holds a civil hearing in which an examiner reviews the complaint and determines whether to give the owner more time to deal with the issue or allow the town to move in

with abatement procedures.

Abatement can include the removal or destruction of whatever is causing the nuisance — including the house itself.

The town is not sidestepping owners, Hill said, but rather, drawing them into a partnership of sorts in which the owner agrees Edgewood can remove the offending buildings.

The town uses the existing excise tax money to do the job, and then the owner agrees to write a check for the cost of the abatement. In essence, officials say, the municipality breaks even.

Property owners often realize the buildings are a nuisance and want to tear them down but haven't looked into the process or figured out how to do it. Hill added some owners also realize the value of the property will increase if the blight is removed. "People can see the potential of what this property is worth so it becomes marketable," he said, noting owners have another incentive: They can avoid having the town begin a forcelosure process.

Nuisance properties in Edgewood are often long abandoned and now vacant, like the one on the hill behind one of the town's many churches. A stray license plate — sitting near a boat in the middle of a yard — had a registration tag dating to 2005. That may be the last time someone actually lived at the property, Hill said.

Properties deemed nuisances are more than just aesthetic problems they can become temporary homes for

squatters, people using drugs or even arsonists, said Town Commissioner Jerry Powers.

"It degrades the character of the community," Powers said as he watched two contractors clean the last of the debris from the recent razing of one of the derelict houses in town.

Santa Fe has had its share of tussles with similar properties, including one on the 2700 block of Alamosa Drive that became the focus of frustration for neighbors. The city has its own procedures when it comes to dealing with such nuisance properties, according to an email from city spokesman Bernie Toon. If a nuisance property racks up six reported incidents in six months, the

city sends the owner a letter to say it will initiate an investigation.

If the nuisance continues, the city issues a notice of violation and starts an abatement process, though the owner has additional venues to forestall that by coming up with a plan to address the problem. Ultimately, the city can move in to deal with the problem at the expense of the owner, Toon wrote.

As of last week, Santa Fe has 16 properties targeted for possible or active abatement actions. The Alamosa property, the subject of several stories in *The New Mexican* in recent years, has been successfully abated and is pending new ownership, said Isabella Sharpe, constituent services manager for the city,

County: Santa Fe 360552-03-10 0010041.pdf



Title: Edgewood using cannabis revenue to fix nuisance properties Author: By Robert Nott rnott@sfnewmexican.com Size : 192 Inches Sq Santa Fe,NM Circulation: 19157 Keywords: Mortgage Finance Authority

> In Edgewood, Powers said he found it to be a "neat idea" to use the cannabis excise money to "fix the problem."

Charlie Moore, a spokesman for the state Taxation and Revenue Department, said in an interview municipalities can use the cannabis excise tax funds "as they see fit." He said he had not heard of any other local governments using the tax money in this way.

Hill said the new procedures have led to more "cordial" interactions between the town and the owners of the nuisance properties. He said owners often have moved away or inherited the place from a deceased relative and haven't dealt with the problem, especially from afar.

He said the abatement program also leaves open the possibility of a developer building more affordable housing on some of the properties.

The town is not working to evict people who may still be living in some of these neglected homes, Hill said. Rather, it's trying to work with them and Santa Fe Habitat for Humanity to temporarily relocate them into better housing while a solution is formed.

Edgewood is working on a broad grant request to the state Mortgage Finance Authority to lay out other ways to rehabilitate and replace properties in need of help, Hill said.

In the meantime, he and Powers notice neighbors living near nuisance properties responding positively to the town's initiative.

In fact, Hill said, he and the abatement crews see many of those neighbors improve their own places.

"Some see us cleaning up a property, they want to clean up their property," he said. "Some of it, I think, is fear of being next on the [abatement] list. Whatever it is, if it works, it works."



Title: Edgewood using cannabis revenue to fix nuisance properties Author: By Robert Nott rnott@sfnewmexican.com Size : 192 Inches Sq Santa Fe,NM Circulation: 19157 Keywords: Mortgage Finance Authority



PHOTOS BY GABRIELA CAMPOS/THE NEW MEXICAN

ABOVE: Sam Harrison, an independent contractor, clears trash and the remains of an abandoned property in Edgewood last week. "One of the failings we have in this community," said planning and zoning manager Brad Hill, "is we never had proper control over development that prevented properties from becoming nuisance properties."



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BOTTOM: Businesses and homes at the base of South Mountain in Edgewood.



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Brad Hill, planning and zoning manager for the town of Edgewood, tours one of its abandoned properties with an order for abatement last week. The town has come up with a novel way to deal with such plots: using cannabis tax money to fund abatement.

GABRIELA CAMPOS THE NEW MEXICAN



Title: State Legislators Give Briefing On 30-Day Session During Chamber Business Breakfas Author: By KIRSTEN LASKEY Los Alamos Daily Post Size : 140 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority



State Legislators Give Briefing On 30-Day Session During Chamber Business Breakfast

By KIRSTEN LASKEY Los Alamos Dailv Post

kirsten@ladailypost.com

The 30-day New Mexico legislative session, which ended Feb. 15, may be primarily for passing the budget and other revenue issues, but a variety of bills came before the House and Senate.

Rep. Christine Chandler and Sen. Leo Jaramillo offered highlights about the recent legislative session to Los Alamos Chamber of Commerce members during the Chamber Business Breakfast Feb. 29 at the SALA Event Center.

Chandler provided a brief overview of the entire session.

"We passed a budget that is greater than \$10 billion," she said. "That's historic in terms of size. I think it represents about a more than 6 percent increase in spending from last year's budget."

She emphasized the state is aware that its spending habits cannot go on indefinitely. Oil and gas revenues are projected to decrease in seven to eight years and the state is preparing for lower revenues.

For instance, it does have a significant amount – \$3 billion – in reserves. Additionally, Chandler said monies are being put away for different priorities so when the revenue tapers off the state will have access to those funds. Furthermore, she said a bill was passed last year that increases investment in the severance tax fund and the state does have a "rainy day fund" to address any shortfalls in the budget.

"There were a wide range of bills that we passed this year," Chandler said. "The budget is still very healthy and will continue to be, I think, into the near future."

Both legislators discussed bills they

Please see BREAKFAST Page A7



Title: State Legislators Give Briefing On 30-Day Session During Chamber Business Breakfast Author: By KIRSTEN LASKEY Los Alamos Daily Post Size : 140 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority



New Mexico Rep. Christine Chandler and Sen. Leo Jaramillo discuss the 30-day legislative session, which ended Feb. 15, during the Los Alamos Chamber of Commerce's Business Breakfast held Feb. 29 at SALA Event Center. Photo by Kirsten Laskey/ ladailypost.com



sponsored and co-sponsored.

Chandler mentioned that there was a lot of focus on environmental issues such as electric vehicles, renewable energy generation and storage.

For her part, Chandler sponsored a bill that gives municipalities and counties authority to negotiate Industrial Revenue Bonds for energy storage facilities as they can for solar and wind production projects and renewable energy transmission facilities. Also, the bill would provide gross receipt tax deduction for sales of energy storage equipment to local governments. Chandler said she also co-sponsored a bill for clean transportation fuel standards.

Jaramillo said last year his major initiative was to ensure every student in New Mexico had access to free breakfast and lunch, which are not just processed foods but produce from local farms. Now, he said other states are following suit.

"We are fully funding right now New Mexico's universal free school meal program on a recurring basis ensuring every New Mexico student can focus on



Title: State Legislators Give Briefing On 30-Day Session During Chamber Business Breakfast Author: By KIRSTEN LASKEY Los Alamos Daily Post Size : 140 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority

their studies and not on their stomachs," Jaramillo said.

The state is not just ensuring young people are fed, but older citizens, too. Jaramillo said seniors will see an increase in their SNAP benefits – which will rise from \$25 a month to \$100 a month.

While it didn't pass this session, Jaramillo's proposal to establish a Fentanyl Poisoning Awareness Week in October to educate students on the dangers of fentanyl kicked off the discussion.

He also introduced a bill for school drug education, in which for one week outside entities would be brought to school

districts to discuss the dangers of opioids. He also touched on capital outlay funds that were awarded including \$300,000 for the Jemez Mountain Fire Protection pipeline project, \$150,000 for roof repairs at the University of New Mexico-Los Alamos and \$100,000 was approved for the Council of Governments to use for grant writers. Locally, a grant writer will be tapped to address the Los Alamos High School Eco Club's request for an electric bus, Jaramillo said.

During the question-and-answer period, Los Alamos County Councilor Suzie Havemann asked about an initiative to bring financial literacy requirements to public education.

Jaramillo said he supported the bill that proposed this initiative during the legislative session.

"I had a number of parents who reached out and talked about how their students in middle school think debit cards have an endless amount of money (and) you can go to any ATM ... they really talk about how there is no real financial literacy when you come into the school setting ... then they go on to a college campus and they are offered a credit card and you think the world is vour ovster," he said. "You don't think about interest rates, you don't think about monthly payments. I supported that bill ... the bill will make its way back next session. Even the Public Education Department Cabinet Secretary supported the bill and I think everyone as parents and even those in the banking industry can agree that financial literacy is something that is important (and) that you should teach at an early age."

Chandler said given that schools have limited curriculum and limited time, she was leery about adding one more thing.

"... we still have some basic education we have to be doing in the schools and as we move forward we have to be mindful of that," she said, noting that New Mexico's

reading and math scores are not great and teaching financial literacy is something parents should be doing, too.

Havemann also asked about what was being done as far as economic development in preparation for when oil and gas revenues begin to fall.

Economic development is always hard, Chandler said. It takes a while to induce companies to come to the state and a



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trained and educated workforce is key.

When asked about what is being done to address young people's mental health, Chandler and Jaramillo agreed that there is a lack of resources and facilities.

Although Chandler said financial assistance is offered to train mental health providers such as social workers.

Another question was posed regarding the housing needs in the state.

Jaramillo pointed out a Senate bill for the Mortgage Finance Authority affordable housing project that amends the New Mexico Finance Act by adding housing as a public project that is eligible for financing and adding nonprofit housing developers as qualified entities. The bill also adds affordable housing plans as qualified housing for local government planning funds.

Chandler noted that the House also passed a bill that supports housing.

"The state is stepping up in terms of providing funding for rehabilitation as well as new housing stock," she said. "It's definitely high on the radar..."

The 30-day session is a jam-packed period and while it has highs and lows, Jaramillo emphasized that "It was an honor representing all of you."

Las Cruces Bulletin

Publication Date: 03/15/2024 Page Number: 046

Title: Homeowner Assistance Fund served 4,200 NM households Author: BULLETIN REPORT Size : 21 Inches Sq Las Cruces,NM Circulation: 20000





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Homeowner Assistance Fund served 4,200 NM households

BULLETIN REPORT

The New Mexico Mortgage Finance Authority has assisted 4,217 households across the state, it announced this week, with \$43.5 million provided through the New Mexico Homeowner Assistance Fund from 2021 to the beginning of March 2024. The assistance came in the form of housing grants to income-eligible households strained for reasons related to the Covid-19 pandemic.

A federal allocation of \$9.9 billion through the American Rescue Plan Act nourished similar programs nationwide. New Mexico's allotment was managed by the Mortgage Finance Authority and the agency said the funding helped prevent mortgage delinquencies, defaults, foreclosures, utility loss, property tax delinquencles, loss of insurance and displacement.

It was not clear how much funding, if any, was left over, but the agency

said remaining funds were used to address applications pending up to March 1, the program's deadline for application. Those applicants will receive a determination letter about their eligibility for assistance based on program criteria and availability of funds, the agency said in a news release. Applicants can log in to their accounts for updated information or contact MFA at housingassistance@ housingnm.org or call 505-308-4206.

County: Dona Ana 362054-03-15_046001.pdf

Albuquerque Journal

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Title: EDITOR'S DESK Real estate is the theme of the week Author: JOURNAL BUSINESS EDITOR BY RYAN BOETEL Size : 42 Inches Sq Albuquerque,NM Circulation: 102148





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EDITOR'S DESK

Real estate is the theme of the week

BY RYAN BOETEL

JOURNAL BUSINESSEDITOR

Real estate is the theme of this week's Outlook. Our cover story is an overview of the Albuquerque area housing market. Long story short: Prices and interest rates are still high, but local professionals said it's still a good time to be in the market.

That's because there's no sign the housing market is going to crash anytime soon. And Realtors cautioned that if potential buyers try to wait out a decline in interest rates, housing prices will likely continue to go up during the wait.

There's several reasons why home prices are increasing. Low inventory, which is partially fueled by existing homeowners hunkering down and staying in their home instead of upgrading or downsizing because of market conditions.

There's also out-of-state buyers who have the potential to swoop in and buy a home with cash. Even though Albuquerque home prices are increasing, they remain a far cry from the likes of Austin, Texas, or parts of

California. The Duke City is drawing the interest of those living in more expensive cities across the country.

Homebuilders said inflation is increasing the cost of their materials, which bumps up the prices of new homes.

That said, there are new homes being built. Rio Rancho and Los Lunas are seeing new homes sprout up.

That's not all that's important in the local housing market.

This week's Outlook also has a story about various housing bills from the 2024 Legislature that made it into law.

Through a collection of efforts, lawmakers approved \$200 million for various housing

projects. The money will go toward new housing developments, affordable housing and homelessness initiatives. <u>New Mexico</u> <u>Mortgage Finance Authority</u> officials called the investments historic.

However, despite those housing investments, some money that has been keeping New Mexicans in their homes since the COVID-19 pandemic is drying up.

The MFA reported last week that it has provided \$43.5 million of housing funding to 4,217 households as part of the New Mexico Homeowner Assistance Fund program, which started in 2021. The money was part of \$9.9 billion that went to all 50 states for housing initiatives as part of the American Rescue Plan Act of 2021.

The money was used for loan reinstatement, monthly payment assistance, homeowners property taxes and homeowners insurance.

The money has been pretty much spent. State officials said they are doling out the last few bucks, but they are no longer taking applications for the supportive funding and that no more additional dollars are expected.

Just as the state is making historic investments in housing initiatives, millions of dollars that have been injected into the economy to keep people in their homes in recent years is coming to an end.

Ryan Boetel is the business editor for the Albuquerque Journal. He can be reached at 505-823-3960 or rboetel@ abgjournal.com Publication Date: 03/18/2024 Page Number: 014

Title: Housing bills, dollars attempt to address NM's housing shortage

Author: BY MEGAN GLEASON JOURNAL STAFF WRITER

Size : 56 Inches Sq Albuquerque,NM Circulation: 102148

Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

Housing bills, dollars attempt to address NM's housing shortage

BY MEGAN GLEASON JOURNAL STAFF WRITER

hat can New Mexico do to solve its housing shortage? It's an issue lawmakers in the 2024 Legislature approved around \$200 million to tackle, supporting investments in new housing developments, affordable housing and homelessness initiatives. The New Mexico Mortgage

Finance Authority estimated last year New Mexico has a shortage of 32,000 affordable units for low-income households. The National Low Income Housing Coalition reports there's a need for 40,000 additional affordable rental homes for low-income communities in the state.

Rep. Michael Padilla, D-Albuquerque, told lawmakers during the session those numbers are only growing.

That's why, he said, lawmakers introduced House Bill 195, a measure that expands the Opportunity Enterprise Act to add a housing development revolving fund. It was among the first bills Gov. Michelle Lujan Grisham signed into law.

"The housing crisis across the

country and here in New Mexico is pretty serious," Padilla said.

Padilla said last month the fund will provide loans for affordable housing, infrastructure and workforce development housing projects

that aren't eligible for New Mexico Mortgage Finance Authority financing. He said projects in municipalities will get prioritization for financing. The budget has a \$175 million appropriation for the funds -

Housing and homelessness dollars

Of the housing dollars set aside, the governor's office highlighted five appropriations:

 \$125 million for the Opportunity Enterprise Revolving Fund, which can newly finance housing projects

\$50 million for the New Mexico Mortgage Finance Authority's housing trust fund

 \$20 million for statewide homelessness initiatives

 \$10 million for transitional housing and shelter facilities for domestic violence victims

 \$3 million for housing for people with mental illness and opioid use disorders

\$125 million for the housing development fund and \$50 million for the opportunity enterprise fund.

Another housing bill Lujan Grisham signed is Senate Bill 216, which amends the New Mexico Finance Authority Act to

add housing as a public project eligible for financing and creates the local government planning fund, which can send money to affordable housing plans.

Both bills go into effect May 15, which is 90 days after the end of the Legislature.

One housing measure that didn't get through the Legislature would've created an Office of Housing. Gov. Michelle Lujan Grisham has committed to establishing the office anyway. She said in a February post-session news conference there's \$2 million in the budget to staff the office.MFA spokesperson Kristie Garcia told the Journal all the money aimed at addressing housing and homelessness will impact the state, whether it's in support of homelessness reduction programs or affordable homes available for renting or buying.

"The Legislature made a historic investment in housing and homeless initiatives this year," she said.

Megan Gleason is a reporter on the business desk for the Albuquerque Journal. She covers energy, utilities and government.





Albuquerque Journal Publication Date: 03/18/2024 Page Number: 014

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Title: Housing bills, dollars attempt to address NM's housing shortage Author: BY MEGAN GLEASON JOURNAL STAFF WRITER Size : 56 Inches Sq Albuquerque,NM Circulation: 102148 Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



EDDIE MOORE/JOURNAL

Rep. Nathan Small, D-Las Cruces, right, along with, from left, Sen. Pete Campos, D-Las Vegas; Gov. Michelle Lujan Grisham; Senate Majority Whip Michael Padilla, D-Albuquerque; and Rep. Linda Serrato, D-Santa Fe, make statements before Lujan Grisham signs House Bills 177, 195 and 232, dealing with infrastructure and housing, into law in February.

County: Bernalillo 369190-03-18_014002.pdf


Title: New Mexico Homeowner Assistance Fund provides \$43 million to 4,200 household Author: BY JOHN LEACOCK JOURNAL STAFF REPORT Size : 38 Inches Sg Albuquergue,NM Circulation: 102148

Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



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New Mexico Homeowner Assistance Fund provides \$43 million to 4,200 households

BY JOHN LEACOCK

JOURNALSTAFFREPORT

housing assistance program launched during the COVID-19 pandemic is almost out of money and coming to an end.

The New Mexico Mortgage Finance Authority reported last week it assisted 4,217 households by providing \$43.5 million in assistance from the New Mexico Homeowner Assistance Fund program. The program provided housing grants to income-eligible households experiencing financial hardship associated with the pandemic.

The program started in 2021, and the final applications had to be submitted by March 1.

"New Mexicans faced challenging times during the

pandemic, and we are thankful that the Homeowner Assistance Fund program was available to help homeowners overcome financial hardships and prevent foreclosures," MFA Executive Director and CEO Isidoro Hernandez said. "The program was very impactful by assisting over 4,200 households in our state."

The U.S. Department of the Treasury allocated \$9.9 billion to states in the American Rescue Plan Act of 2021. HAF was established to mitigate financial hardships for homeowners associated with the pandemic.

The mortgage finance authority administered the funding for home loan reinstatement, monthly payment assistance, homeowner property taxes and homeowner

insurance.

But the program is coming to an end.

"When all HAF funding is expended, additional funding for this program is not expected from any source known to us at this time," said Kristie Garcia, <u>New Mexico Mortgage Finance</u> <u>Authority spokesperson.</u> "The program will end when all HAF funding is expended."

Any remaining HAF program funding will be used for pending applications submitted on or before March 1, which are currently under review.

If there are any questions regarding pending applications, individuals may contact MFA at housingassistance@housingnm. org or 505-308-4206.



COURTESYNEW MEXICO MORTGAGE FINANCE AUTHORITY

Robert Leech was one of many New Mexicans who benefited from the program. Albuquerque Journal

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Title: WAITING IT OUT

Author: BY ROZANNA M. MARTINEZ JOURNAL STAFF WRITER Size : 228 Inches Sq Albuquerque,NM Circulation: 102148 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

WAITING IT OUT Cost of homes and interest rates increase as housing inventory remains low

BY ROZANNA M. MARTINEZ JOURNAL STAFF WRITER

igh interest rates. Inflation. Low inventory and wealthy out-of-state competitors. Home prices remain high in the Albuquerque metro area for various reasons. However, Realtors and homebuilders said the housing market remains strong.

"I feel like there's this pent-up demand that's going to have to shift at some point, because for over a year now, (we've seen) interest rates going up, and then on top of that our historically low inventory," said Morgan Cannaday, president of the

Greater Albuquerque Association of Realtors Board of Directors. "It's really tough for buyers in this market right now just because the higher interest rates are going to reduce their buying power and how much of a house they can afford."

Cannaday said many potential buyers instead are opting to stay in their homes until the market shifts and there is more inventory to choose from.

"Since the beginning of the pandemic, we've had such an inventory shortage to where there is enough buyer competition that it's frustrating for a potential homebuyer when they're having to compete with other buyers for homes

and they feel like homes are selling for more than what market value is or should be for that home," Cannaday said. "It's definitely discouraging for buyers."

The situation is a bit of a Catch-22. "What we're seeing right now, because you have homeowners that would ideally like to either downsize or just their families are growing and they need to find a bigger house, or move to a different area of town," Cannaday said. "But then they see the lack of options on the market, so they're choosing not to sell their current home and buy something else, which means that their current home is not available for another buyer to buy."

In February, there were 846 detached homes listed in the Albuquerque metro area, which includes surrounding communities like Corrales and Rio Rancho and most of Valencia County. That was up more than 100 from the 739 new listings in February 2023, according to GAAR.

The average sales price for a detached home last month was just less than \$390,000, which was up from \$365,000 a year ago.

Despite the inventory being low, Cannaday feels "strongly" that now is a great time to buy.

"We are still in a healthy market, meaning that none of the data is indicating that we're going to have some massive crash anytime soon, values are still projected to increase," Cannaday said. "Therefore, it still makes sense as a good investment."

She stressed that a potential buyer should enter the market with patience. Because of relatively low inventory and competition, it could be frustrating if a buyer expects to purchase a home quickly.

"But if they are patient, and they have the time to hold off until the right home

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Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

comes along, now is still a really great time to buy," she said.

New Mexicans also have had to compete with out-of-state buyers who can pay cash. Realtors reported that families from California, Texas, and other parts of the country have relocated to New Mexico when they see a \$350,000 home for sale in New Mexico, which is a fraction of what they would otherwise pay in their home state.

"With them having cash and being like, we'll waive appraisal and pay \$50,000 over, that's what hurt locals more than anything over the last few years," said Liska Maddox, associate broker for Maddox Management LLC. "But these interest rates going up have kind of helped buyers. It brought down their buying power, but the thing is, they needed this cash to beat everyone else out because of the bidding wars. Now they don't have to go over asking price. They don't have to waive appraisals, They don't have to agree to the house as is. There's more negotiation power for buyers currently than there was over the last few years, when interest rates were at 3%."

Maddox said a 6%-6.5% interest rate is not unreasonable.

"People have to remember that the normal is 5-6%, the 3.5% was the anomaly," she said. "I don't know if we'll ever get back down to those interest rates. I feel like the normal is probably going to be closer to between 5% and 6%, which historically, that's been the rate."

Brian McCarthy, co-owner of local homebuilder Abrazo Homes, said the market remains strong.

"I think there was a period of time where buyers were waiting," he said. "They were waiting to see if the increase in interest rates really would correlate to a drop in prices. And, now we're coming up on basically the two-year mark of a higher interest rate environment, and the prices haven't dropped. So now, I think that's really just created some pent-up demand."

Abrazo Homes, as well as some other

See HOMES >> 12



Title: WAITING IT OUT

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A new home is being built in Rio Rancho, which is one part of the Albuquerque metro area where new homes are being built.



A tractor is parked in Lomas Encantadas neighborhood, where new homes are being built.



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A road is closed Wednesday in a new housing development being built in the Lomas Encantadas neighborhood.

HOMES >>

From PAGE 11

builders, reported "really strong" February sales. The new-home market is doing well, according to McCarthy.

Inflation, however, is driving up the cost of the materials needed to build a home.

"We're still going out to buy the materials for the new homes that we're going to build and inflation is still positive, right?," he said. "I mean, the pace of inflation is coming down. But it's still costing us more to buy the materials that are going into our houses today than the houses that we were building two or three years ago."

Most of the development activity occurring in the

Albuquerque metro area is

taking place in Rio Rancho and Los Lunas. However, some areas also are being developed in Albuquerque, despite it being boxed in by the Kirtland Air Force Base, the Sandia and Manzano mountain ranges, and the pueblos, including Isleta, Sandia and Santa Ana. An exception is Mesa del Sol.

"Mesa del Sol has been a great community for us," McCarthy said. "And we're developing a new phase. There's about 170 lots being developed right now that are coming online late this summer."

Mesa del Sol has seen housing and employment growth that partly can be attributed to Netflix.

"There are a couple of other projects that are on the horizon I would say that could help to open

up housing supply in the city limits of Albuquerque, but we're seeing a lot of growth," McCarthy said. "And we are seeing a lot of expansion in both Los Lunas and Rio Rancho."

Canaday said GAAR is working with industry partners to improve market conditions. For example, she said the association is trying to work with lenders to create lending programs for firsttime homebuyers who are feeling discouraged with what they can afford based on current interest rates.

"We're starting to see that shift a bit where days on market, the amount of days it takes for a home to sell, has increased our absorption rate, as far as month supply on the market, is starting to increase as well," Cannaday said. "Inventory is starting to tick up a bit, but we are nowhere

near what would be considered a stable market. We're at 1.5 months of inventory, whereas a



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> stable market would be five to six months of inventory." Not all hope is lost for New Mexico buyers, according to Maddox.

"Lenders still have a lot of great programs for first-time homebuyers and down payment assistance. And, they can get (New Mexico Mortgage Finance Authority) financing, she said. "... There's a lot more options, and I think it's gotten easier on firsttime homebuyers in the last year than it was in 2021, 2022. It's been a better buyers market for sure."

McCarthy's advice to buyers is "marry the house and date the rate."

"It's this idea that interest rates are temporary, meaning, right now, you might be buying

a house today that would cost you a little bit more than you anticipated," McCarthy said . "If you're buying today at 7%, that might be a couple \$100 a month more than you were hoping to spend. But, assuming that we kind of get back to equilibrium interest rates, we expect to come back down by some factor. And if you're able to refinance a year from now or two years from now and you're 5% or 51/2%, you're still in the house that you wanted. but you're able to basically reset the interest rate and reduce that lower payment.

"Our fear is, if you wait, so to speak, that you might not be able to afford the house two or three years from now, at some point in the future, because the prices have remained very strong."

Los Alamos Daily Post

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Author:

Size : 126 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



By KIRSTEN LASKEY Los Alamos Daily Post kirsten@ladailypost.com

A one-bedroom apartment in the Bluffs Senior Apartments is earmarked as a model unit to show prospective tenants what living could be like in the new complex on 135 DP Road. There are throw pillows on the sofas, a potted plant in the kitchen and serene lighting in the bedroom. All that is left to complete the picture are residents.

Apartments were officially open to renters in January and Kay-Kay Realty Corp. District Director Stacey Deal said it is anticipated that the complex will be

filled by mid-April. As of today, 15 of the 64 units are still available for rent. The complex contains two-bedroom and one-bedroom apartments. To be allowed



She explained that for a household

> Please see BLUFFS

> > Page A7

Many units are already filled. The Bluffs Senior

The Bluffs Senior Apartments, 135 DP Road., still has units available to rent. Photo by Kirsten Laskey ladailypost.com

BLUFFS Fifteen Units Are Available To Rent A New Apartment Complex

Continued from page A1

of one, the maximum income cannot go above \$53,000 and a household of two's maximum income can't go above \$60,000. Section 8 Housing is accepted at the Bluffs. Another requirement is tenants need to be 55 or older to live in the apartment complex.

As far as the rent. Deal said the rent for a one-bedroom apartment starts at \$1,099 and the rent for a two-bedroom starts at \$1,299.

The rent covers some utilities including water, sewer and trash. Renters are responsible for electricity, internet and cable. There are some amenities thrown into the mix as well. The complex offers an exercise room, a multi-purpose room,

a computer lab and library. It also has community laundry facilities; however, each unit does have its own washer and dryer hook up. All of this seems to be attractive to renters, Deal said.

"It's going pretty well," she said. "I think everybody loves it. It's a really nice group of residents for sure."

Todd Thal is one of those residents.

He praised Kay-Kay Realty, which

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Los Alamos Daily Post



Title: Bluffs Senior Apartments Welcome New Residents Author:

Size : 126 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

manages the property, and said the place is "99.9 percent perfect". The only thing missing, Thal said, is a private golf course and pond fully stocked with trout.

With inflation going through the roof and apartment tenants throughout the U.S.

getting priced out of their homes. Thal said the Bluffs' model should be followed throughout the country.

On a personal note, he said, "This was, for me, a miracle."

The whole purpose behind the Bluff's, Deal said, is to offer everything seniors need to live independently.

"It's designed to be an affordable place to live and to have a good mix of amenities," she said.

Also, its location next door to Canyon Rim Trail, a few blocks from Smith's Marketplace and some downtown restaurants is another plus, Deal said

"It's good quality living in a really nice community," she said.

Another perk is that the apartment complex is brand new, especially in a town with a lot of old housing stock, Deal said.

The place might be new, but Deal said tenants are encouraged to build camaraderie and community within the complex. Group activities are scheduled based on residents' interests. "We want to encourage that because developing a sense of community is really important," she said.

Anyone interested in a unit, visit the Bluffs Senior Apartments website or call 505.672.7453.

NM0082

County: Los Alamos 363871-03-21_001002.pdf

Los Alamos Daily Post Publication Date: 03/21/2024 Page Number: 001



Title: Bluffs Senior Apartments Welcome New Residents

Author:

Size : 126 Inches Sq Los Alamos,NM Circulation: 0 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



The living and dining area of the onebedroom apartment that is used as a model unit for those interested in renting. Photo by Kirsten Laskey ladailypost com



The bedroom in the model one-bedroom apartment unit in the Bluffs Senior Apartments. Photo by Kirsten Laskey ladailypost com



The fitness room is one of the amenities available at the Bluffs Senior Apartment Complex. Photo by Kirsten Laskey/ ladailypost.com



The library is one of the amenities available at the Bluffs Senior Apartment Complex. Photo by Kirsten Laskey ladailypost.com

County: Los Alamos 363871-03-21_001002.pdf

Albuquerque Journal

Publication Date: 03/25/2024 Page Number: 016



Title: APPLAUSE

Author:

Size : 38 Inches Sq Albuquerque,NM Circulation: 102148

Keywords: Mortgage Finance Authority ~ Housing New Mexico ~ New Mexico Mortgage Finance Authority

APPLAUSE

The New Mexico Mortgage Finance Authority has announced

its 2023 Top Mortgage Lender Award recipients. The recipients are:

 John Gabaldon with Waterstone Mortgage Corporation, Albuquerque — Housing New Mexico



John Gabaldon

Gallegos-

Kahn

Nikki

Belt

Sandoval-



 Tabitha Gallegos-Kahn with Directors Mortgage Inc., Albuquerque — Top Metro Lender

 Nikki Sandoval-Belt with Cornerstone Home Lending, Farmington — Top Rural Lender

2023 Rural Lender Award recipients:

Rural Platinum — lenders who originate 20 or more MFA loans

- Dani Alpers Gateway First Bank
- Donice Barnes PrimeLending, A Plains Capital Company
- Dustin Caroland Primary Residential Mortgage
- Jane DeRose-Bamman AmCap Mortgage Ltd. dba Gold
- Financial Services
- Kerri K. Howlett AmCap Mortgage Ltd. dba Major Mortgage
- · Patricia Lewis Guild Mortgage Company
- Vicki Lucero Waterstone Mortgage Corporation
- Eliot Rodriguez loanDepot.com
- Lindsay Rollins Bell Bank
- Martin Sanchez Primary Residential Mortgage
- Brent L. Schreurs Waterstone Mortgage Corporation

Rural Gold (lenders who originate 15 or more MFA loans)

- Ted Bishop CMG Financial
- Donna Cline Academy Mortgage Corporation
- Chris Wood Primary Residential Mortgage

Rural Silver (lenders who originate 10 or more MFA loans)

- Phil Chavez Guild Mortgage Company
- Kathi Giguere AmCap Mortgage Ltd. dba Major Mortgage
- Priscilla Gonzalez First American Bank
- Davin Jacquez Guild Mortgage Company
- Priscilla Lara Academy Mortgage Corporation
- Nancy Neel-Black PrimeLending, A Plains Capital Company
- Tina Valdez First American Bank

2023 Metro Lender Award recipients

Metro Platinum (lenders who originate 25 or more MFA loans)

- Mia Aguilar Guild Mortgage Company
- Marty Padilla Waterstone Mortgage Corporation
- Steven Sheldon Guild Mortgage Company

Metro Gold (lenders who originate 20 or more MFA loans

- Matthew Berg PrimeLending, A Plains Capital Company
- Sarah Gmyr-Maez One Trust Home Loans
- Iris Guzman PrimeLending, A Plains Capital Company
- Renee Maestas Guild Mortgage Company

Metro Silver (lenders who originate 15 or more MFA loans)

- Amber Bennett Guild Mortgage Company
- Eleanor Hutt Waterstone Mortgage Corporation
- Rosa Izzi Guild Mortgage Company
- Oscar Medrano Waterstone Mortgage Corporation
- Ammar Nesheiwat Primary Residential Mortgage
- Paul Parsons CMG Mortgage Inc.
- Jason Pike Waterstone Mortgage Corporation
- Kristi Pofahl Guild Mortgage Company
- Chris Russo Waterstone Mortgage Corporation
- Lynette Turpen Primary Residential Mortgage



newz group

Title: Bike tour stops to spotlight homelessness Author: BY ALAINA MENCINGER JOURNAL STAFF WRITER Size : 38 Inches Sq Albuquerque,NM Circulation: 102148 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority



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Bike tour stops to spotlight homelessness

BY ALAINA MENCINGER JOURNAL STAFF WRITER

They're social workers, not cyclists.

But that hasn't stopped Ken Craft, the founder and CEO of Hope the Mission, and Rowan Vansleve, the nonprofit's president, from trekking across the nation on two wheels to bring awareness to the "humanitarian crisis" of homelessness.

The Angelenos stopped in Albuquerque on Monday, with more than 2,800 miles left on their 3,500-mile ride from Los Angeles to Washington, D.C. The nonprofit operates several housing facilities in the Los Angeles area.

"As of a year ago, neither of us even owned bicycles," Craft said. "... So it's been quite a journey. But

we figured that getting to Washington, D.C., on bicycle was probably the best way to put a little attention on ... a crisis that really needs the spotlight on it."

Bad weather forced the pair to swap saddle for car seat on the trip up from Socorro. They didn't get a reprieve from the weather Monday, as snowflakes dusted the burritos and chile the pair shared with Isidoro "Izzy" Hernandez, New Mexico Mortgage Finance Authority executive director and CEO, and MFA Director of Community Development Kellie Tillerson.

Vansleve said New Mexico chile "changed my life."

"The food," Vansleve extolled. "With all the riding, I get to have a cheat day every day."

The goal of the tour, Craft said, is to increase federal funding for programs to help people experiencing homelessness as well as learn best practices from different cities around the country. Craft said that homelessness requires a "FEMAlike" response from federal and local governments.

Hernandez agreed that more funding is necessary to address homelessness. He cited the high cost to build and run permanent supportive housing programs.

Tillerson added that more housing inventory is needed in the state.

Vansleve and Craft will be joined on the road (briefly) by Hernandez. They leave for Moriarty on Tuesday morning.



JON AUSTRIA/JOURNAL

Kelly Patterson with New Mexico Mortgage Finance Authority, left, meets with Hope The Mission CEO and Founder Ken Craft, second from, right, and President Rowan Vansleve, right, during a visit to the New Mexico Mortgage Finance Authority offices in Albuquergue on Monday.

Albuquerque Journal

Publication Date: 03/27/2024 Page Number: 021



Title: public notice

Author:

Size : 27 Inches Sq Albuquerque,NM Circulation: 102148 Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority





AVISO DE AUDIENCIA PÚBLICA Y PERIODO DE COMENTARIOS PUBLICOS DE 30 DIAS PARA LA ENMIENDA AL PLAN DE ACCIÓN DEL PROGRAMA PILOTO DE RECUPERACIÓN DE VIVIENDA EN NUEVO MEXICO 27 de marzo de 2024

PROGRAMA PILOTO DE RECUPERACIÓN DE VIVIENDA EN NUEVO MEXICO 27 de marzo de 2024

Esta documentacion se adjuntaria al man de Accion del Hmm. El financiamiento total del FHP disponible es \$2,349,554, lo que representa el año facal 2023 en la cantidad de \$1,142,153 Segun FH-6225-N-01, las actividades elegibles para los premos FHP incluyen mataliziones públicas mejoradas, adquisición de propiedad real, arrandamiento, alguiler y tervidencia econ unidades individuales y unitárias mejoradas, adquisición de propiedad real, arrandamiento, alguiler y tervidencia econ unidades individuales y unitárias metoradas encias en unidades individuales y unitárias metoradas denciase con unidades individuales y unitários entrebilitación y constitucción de viviendas públicas disposición de actividades existentes para incluír nuevas construcciones. El Plan de Accion RHP Inali aprobado por HUD estara disponible en el sito web de MEG en http://www.husinigmm. unifesourbos/FHP-action-plan y en el sito web de DFA http:// www.mdfa.state.mm.us.Local_Government.aspx

Journal: March 27, 2024

Advertisements

New Mexico Activities Association Championships

Venue Banner:



Website Banner Ad:



App Ads:





Tournament Program Ad:



New Mexico Society of CPAs E-Newsletter



The Real Estate Book

Providing affordable mortgage loans and down payment assistance to homebuyers throughout New Mexico.



New Mexico Mortgage Finance Authority 505.843.6880 800.444.6880 housingnm.org

Google



Find Down Payment Assistance | Help for your First Home | Albuquerque Down Payment Help Ad www.housingirm.org

MFA provides down payment asalstance and competitive interest rate mortgage loans. Contact New Mexico Mortgage Finance Authority today for help purchasing your home. View Current Rates Mortgage Programs Affordable Homes | Find Affordable Homes in NM | Affordable Housing Programs red www.housingnm.org/Homes/Affordable New Mexico MFA Can Help You Find Affordable Homes & Apartments Let MFA Help You Today Ask New Mexico MFA About Income Qualification, Rental Rates & Availability. Emergency Shelter Homekosness Adolstance Tribal Housing Lenders And REALTORSS!

New Mexico Mortgage Finance Authority https://housingnm.org > down-payment-assistance

Mortgage Programs | Homebuyers | New Mexico MFA

MFA's mortgage programs provide homebuyers with down payment and closing cost assistance as well as competitive interest-rate mortgage loans.

Current Rates - Income and purchase price limits - Participating Lender List

Google ads March report:

Hametruser Resources

Montpage Calculators

Conversions increased by 25% compared to February, which equates to about an additional 133 conversions. Clicks increased by 6%, or about 200 for the month. Conversion breakdown was as follows:

- Phone calls directly from the ads: 80
- Phone calls from the website after clicking on an ad: 494
- Contact form submissions: 292
- Subscriptions: 6

Conversions = The number of leads MFA received after a user clicked on an MFA ad

New Mexico Association of Counties Weekly News Brief

March 14



New Mexico Mortgage Finance Authority Seeks Community Input Regarding Housing Needs in the State

NM MFA needs your help to identify housing issues in the state. Please participate in the <u>State of New Mexico</u> <u>Community & Fair Housing Survey</u> <u>online.</u> Complete by July 31.

March 28



New Mexico Mortgage Finance Authority releases 2023 Annual Report

The New Mexico Mortgage Finance Authority's 2023 Annual Report reveals significant achievements: MFA allocated \$10,341,000 toward the construction of new homes, provided \$388,294,000 in first mortgage and down payment assistance, totaling 3,352 loans to 1,845 families, and provided \$24,145,000 in mortgage assistance to 2,925 households. Access the complete report here.

New Mexico Bankers Association Directory

Providing affordable mortgage loans and down payment assistance to homebuyers throughout New Mexico.

344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 | housingnm.org



Outreach

March 7 Silver City Chamber of Commerce Presentation (Silver City)

March 12 Voices of the Community USDA Rural Development Forum (Las Cruces)



March 12-16 New Mexico Activities Association – Nusenda Credit Union State Basketball Championships (Albuquerque)



March 21 Otero County Housing Symposium (Alamogordo)

March 21 Felician Villa Apartments Groundbreaking (Rio Rancho)



March 21 New Mexico Electrification Leadership Summit (Las Cruces)



March 21 Philanthropy Summit & Awards (Albuquerque)



Other: Hope the Mission Cycling to the Capitol Stop at MFA

Hope the Mission, the nation's largest rescue mission, is dedicated to preventing, reducing and eliminating poverty, hunger and homelessness. With over 33 facilities and 2,700 shelter beds, including tiny home villages, shelters and thrift stores, Hope the Mission is on the front lines of providing immediate assistance and long-term solutions.

As part of Hope the Mission Founder/CEO Ken Craft's and President Rowan Vansleve's journey cycling across America to spotlight the urgent issue of homelessness, they stopped in Albuquerque March 25 to discuss homelessness and real solutions with New Mexico Mortgage Finance Authority Executive Director/CEO Isidoro Hernandez and Community Development Department Director Kellie Tillerson. The following morning, Isidoro and MFA Software Architect Dana Gohr joined Ken and Rowan as they cycled out of Albuquerque toward Moriarty.

Ken's and Rowan's 3,500-mile ride from Los Angeles to the White House aims to raise awareness, mobilize support and engage communities in the fight against homelessness. The ride and their engagement with local organizations along the way will be featured in a documentary film about their journey and will shed light on the homeless crisis gripping communities across the country.





Social Media

Facebook and Twitter: @MFAhousingNM Instagram: @MFAhousing YouTube: @housingNM LinkedIn: MFA Housing New Mexico

Cross channel Report

March 1st 2024 - March 31st 2024



Impressions = The number of times MFA social media page content was displayed.



Engagements =

Depending on platform, engagements include likes, comments, shares, clicking on links, saves, story replies, post clicks.



Post Performance

MFA Housing New Mexico







MFA Housing New Mexico







19 0 1 97

MFA Housing New Mexico







MFA Housing New Mexico







Website

<u>https://housingnm.org/</u> (Top-Viewed Page "/" = home page)



Page path	View	vs v	Total	users
/	15,930	-3,280	9,340	-2,372
/lenders-realtors/current_rates	3,596	-267	1,061	-123
/homebuyers/mortgage-programs	3,474	+1,794	2,121	+1,044
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/find-housing/rentals/subsidized	1,571	-13	1,067	-8

As of:	4/4/2024									
			New Mex	ico Housing Trus	st Fund Dashboa	rd				
Certified Uses	Certified Use Allocation	Certified Use Procurement Totals	Certified Use Award Totals	Certfied Use Expenditures thru 3/31/24	Activity		Activity Allocation	Activity Procurement	Activity Award Totals	Activity Expenditures thru 3/31/24
Down payment assistance (DPA)	\$ 11,625,000.00	\$ 11,625,000.00	\$ 11,625,000.00	\$ 3,463,344.97	HomeForward DPA	\$	2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 3,463,344.97
					FirstDown Plus	\$	9,625,000.00	\$ 9,625,000.00	\$ 9,625,000.00	
Single family emergency repairs					Housing Improvement Program (HIP)	\$	1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 271,262.79
Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	\$ 1,775,000.00	\$ 1,775,000.00	\$ 1,500,000.00	\$ 628,503.36	Weatherization	\$	775,000.00	\$ 775,000.00	\$ 500,000.00	\$ 357,240.57
Single family acquisition and rehabilitation	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$-	Restoring Our Communities (ROC)	\$	2,000,000.00	\$2,000,000.00	\$ 2,000,000.00	\$ –
					Gap Financing Loans	\$	10,500,000.00	\$ 10,500,000.00	\$ 10,500,000.00	\$ 2,500,000.00
					Preservation Loans	\$	2,500,000.00	\$ 2,500,000.00	\$-	\$
–					Primero Loans	\$	1,130,000.00	\$ 1,130,000.00	\$-	\$
Rental and single-family development	\$ 22,130,000.00	\$ 22,130,000.00	\$ 13,212,498.00	\$ 2,500,000.00	Single Family Development Pilot Program	\$	3,000,000.00	\$ 3,000,000.00	\$ 500,000.00	\$
					Housing Innovation	\$	5,000,000.00	\$ 5,000,000.00	\$ 2,212,498.00	\$
Total State Fiscal Year 2024 Funds	\$ 37,530,000.00	\$ 37,530,000.00	\$ 28,337,498.00	\$ 6,591,848.33		\$	37,530,000.00	\$ 37,530,000.00	\$ 28,337,498.00	\$ 6,591,848.33

Summary

The certified uses above were approved by MFA Board of Directors and State Board of Finance. Within the certfied uses, the MFA activities are decided at the policy committee level. 37,530,000.00 is the total State Fiscal Year (SFY) 2024 NMHTF Severance Tax Bond earmark allocation.

100% of the total SFY24 allocation has been procured.

76% of the total SFY24 allocation has been awarded.

18% of awarded funds has been expended.

- approval.

1. MFA staff is presenting the SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification for ratification. The \$3.4 million has been moved to the DPA and Single Family Rehab certified uses per the February 2024 Board

2. The Housing Development staff will be presenting an award recommendation for the Peachtree Canyon I project for \$3,000,000. See page 6 for award recommendation details. 3. The Housing Innovation team will be presenting award recommendations for HagermanForward Inc. for \$500,000. See page 10 for award recommendation details. 4. The Housing Innovation team will be presenting award recommendations for San Felipe Pueblo for \$450,000. See page 10 for award recommendation details.

Certified Use	Certified Use Amount	Activity Allocation	ΔΜΟΠΗΤ	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures	Leverage (First Mortgages)	Requestor	Date Updated by P&P	Comments
Down payment c	11 625 000	HomeForward DPA	\$ 2,000,000.00	HomeForward DPA Program Guidelines	2,000,000.00	1/18/2023	HomeForward DPA	9/14/23	PC	\$ 2,000,000.00	\$ 2,000,000.00	\$ 9,625,000.00	\$			Jeff Payne	9/14/2023	
assistance >	11,625,000 -	FirstDown Plus	\$ 9,625,000.00	First <i>Down</i> Plus Program Guidelines	9,625,000.00	11/15/2023	FirstDown Plus	2/6/24	PC	\$ 9,625,000.00	\$ 11,625,000.00	\$-	\$ 2,790,000.00	\$ 3,463,344.97		Jeff Payne	11/1/2023	
									Total	\$ 11,625,000.00		\$ -						

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Down Payment Assistance

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Certified Use		ified Use nount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Aawrd Expenditures	Total Expenditures
								SWRHCDC	8/15/2023	PC	\$ 134,655.19	\$ 134,655.19	\$ 865,344.81 \$	5 134,655.19	
Single family emergency repa accessibility, ene	airs, argy	775,000.00	Housing Improvement	\$ 1,000,000.00	Single Family Repair and Rehab	\$ 1,000,000.00	5/17/2023	SWRHCDC	8/29/2023	PC	\$ 98,999.86	\$ 233,655.05	\$ 766,344.95	98 <i>,</i> 999.86	\$ 271,262.79
efficiency improvements a rehabilitation	and		Program (HIP)		Guidelines	. , ,		San Felipe Pueblo	9/19/2023	РС	\$ 37,607.74	\$ 271,262.79	\$ 728,737.21 \$	37 <i>,</i> 607.74	. ,
								HIP activity draw down allocation		PC	\$ 728,737.21	\$ 1,000,000.00	\$ -		
										Total	\$ 1,000,000.00		\$ -		

Housing Improvement Program

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Certified Use	Certified Use Amount	Activity Allocation Alloca Amo	ivity ation	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approva	I Level of Approval	Aw	ard Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
Single family emergency repairs,							Central New Mexico Housing Corporation	11/15/2023	Board of Directors	\$	350,000.00	\$ 350,000.00	\$ 425,000.00	\$ 213,167.20	
accessibility, energy efficiency improvements and rehabilitation		Weatherization \$ 775	75,000.00	Weatherization NOFA	\$ 775,000.00	8/16/2023	Southwest Regional Housing and Community Development	11/15/2023	Board of Directors	\$	150,000.00	\$ 500,000.00	5 275,000.00	\$ 144,073.37	\$357,240.57
									Total	\$	500 <i>,</i> 000.00		5 275,000.00		

Weatherization

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Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amour	t Procurement Approval Date	(irantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance
				NOFA		4/19/2023	North Central NM Economic Development Divison	Dec-23	Board of Directors	\$-	\$-	\$ 2,000,000.00
Single family acquisition and rehabilitation	\$ 2,000,000.00	ROC	\$ 2,000,000.00		\$ 2,000,000.0)	Homewise Inc.	Dec-23	Board of Directors	\$-	\$ -	\$ 2,000,000.00
				Updated Guidelines to NOFA		12/13/2023	Sawmill Trust	Dec-23	Board of Directors	\$-	\$ -	\$ 2,000,000.00
							ROC Activity Draw down allocation		PC	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
									Total	\$ 2,000,000.00		\$-

Restoring Our Communities



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Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
							Three Sisters	6/21/2023	Board of Directors	\$ 3,500,000.00 \$	3,500,000.00\$	7,000,000.00	\$ 500,000.00	
							La Serena Apartments	9/20/2023	Board of Directors	\$ 1,000,000.00 \$	4,500,000.00\$	6,000,000.00		
Rental and single- family development	\$ 22,130,000.00	Gap financing Ioan	\$ 10,500,000.00	Gap Finanacing NOFA	\$ 10,500,000.00	5/17/2023	Pedrena Apartments	10/18/2023	Board of Directors	\$ 1,000,000.00 \$	5,500,000.00\$	5,000,000.00		
							Encino Senior Gardens	11/15/2023	Board of Directors	\$ 2,000,000.00 \$	7,500,000.00\$	3,000,000.00	\$ 2,000,000.00	\$ 2,500,000.00
							Peachtree Canyor	4/17/2024	Board of Directors	\$ 3,000,000.00 \$	10,500,000.00 \$	_		
									Total	\$ 10,500,000.00	\$	-		

Gap Financing

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Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
Rental and single- family development	\$ 22,130,000.00	Preservation Loan	\$ 2,500,000.00	NOFA	\$ 2,500,000.00	3/1/2023	-	-	_	\$-	\$-	\$ 2,500,000.00		\$-
									Total	\$-		\$ 2,500,000.00		

Preservation Loan Program



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Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
Rental and single-family development	\$ 22,130,000.00	Primero loan (SF)	\$ 1,130,000.00	NOFA	\$ 1,130,000.00	9/20/2023				\$-	\$-	\$ 1,130,000.00		
									Total	\$-		\$ 1,130,000.00		

SF Primero

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Certified Use	<section-header></section-header>	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
Rental and single- family development	\$ 22,130,000	Single Family Development Grant Pilot Program	\$ 3,000,000.00	Single Family Development Grant Pilot Program NOFA		10/18/2023	Sombra del Oeste	3/20/2024	Board of Directors	\$ 500,000.00 \$ 500,000.00	\$ 2,500,000.00	\$-	\$-
									Total	\$ 500,000.00	\$ 2,500,000.00		

Single Family Development Pilot Program

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Certified Use C	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) 	Procurement Amount	<section-header></section-header>	Grantee	Date of Approval	Level of Approval	ward Amount	Running Activity Award Total	Running Activity Unawarded Balance	<section-header></section-header>	Total Expenditures
							Town of Silver City	12/13/2023	Board of Directors	\$ 500,000.00 \$	500,000.00	\$ 4,500,000.00		
							NM Ramp Project	12/13/2023	Board of Directors	\$ 500,000.00	5 1,000,000.00	\$ 4,000,000.00		
Rental and single- family \$ development	\$ 22,130,000.00	Housing Innovation	\$ 5,000,000.00	NOFA	\$ 5,000,000.00	9/20/2023	Sawmill CLT	2/21/2024	Board of Directors	\$ 262,498.00	5 1,262,498.00	\$ 3,737,502.00		
	mily \$ 22,130,000.00						HagermanFor ward Inc.	4/17/2024	Board of Directors	\$ 500,000.00	5 1,762,498.00	\$ 3,237,502.00		
							San Felipe Pueblo	4/17/2024	Board of Directors	\$ 450,000.00	5 2,212,498.00	\$ 2,787,502.00		
									Total	\$ 2,212,498.00		\$ 2,787,502.00		

Housing Innovation

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New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

February 29, 2024

NEW MEXICO MORTGAGE FINANCE AUTHORITY FINANCIAL REVIEW For the five-month period ended February 29, 2024

C	OMPARATIVE FISCAL YEAR-TO-DATE FIGURES (Dollars in millions):	5 months <u>2/29/2024</u>	5 months 2/28/2023	% Change Year / Year	Forecast 2/29/2024	Actual to Forecast
	PRODUCTION	<u>_//</u>	<u> </u>	<u></u>	<u>_,,</u>	<u> </u>
1	Single family issues (new money):	\$245.0	\$135.0	81.5%	\$125.3	95.6%
2	Single family loans sold (TBA):	\$39.3	\$0.0		\$10.2	286.5%
3	Total Single Family Production	\$284.3	\$135.0	110.6%	\$135.4	109.9%
4	Single Family Bond MBS Payoffs:	\$18.7	\$21.0	-11.3%	\$24.9	-25.1%
	STATEMENT OF NET POSITION					
5	Avg. earning assets:	\$1,852.9	\$1,668.3	11.1%	\$1,985.3	-6.7%
6	General Fund Cash and Securities:	\$100.4	\$95.0	5.6%	\$117.4	-14.5%
7	SIC FMV Adj. (General Fund):	\$0.7	\$0.8	-14.1%	N/A	N/A
8	Total bonds outstanding:	\$1,765.1	\$1,411.1	25.1%	\$1,712.5	3.1%
	STATEMENT OF REVENUES, EXPENSES AND NET POSITION					
9	General Fund expenses (excluding capitalized assets):	\$12.1	\$10.9	11.4%	\$12.7	-4.7%
10	General Fund revenues:	\$15.6	\$13.7	13.5%	\$13.0	19.8%
11	Combined net revenues (all funds):	\$11.4	\$4.2	171.0%	(\$0.0)	62674.8%
12	SIC FMV Adj. (Combined net revenues):	\$0.9	-\$0.7	222.8%	(\$0.0)	4895.2%
13	Combined net position:	\$312.4	\$289.8	7.8%	\$350.0	-10.7%
14	Combined return on avg. earning assets:	1.47%	0.60%	144.0%	0.00%	67145.7%
15	SIC FMV Adj. (return on avg. earning assets):	0.11%	0.10%	10.3%	0.00%	5237.8%
16	Net TBA profitability:	1.60%	0.00%		0.10%	1501.0%
17	Combined interest margin:	0.98%	0.87%	12.3%	0.40%	142.5%
	MOODY'S BENCHMARKS					
18	Net Asset to debt ratio (5-yr avg):	23.60%	24.76%	-4.7%	24.82%	-4.9%
19	Net rev as a % of total rev (5-yr avg):	10.87%	9.83%	10.6%	8.98%	21.1%
	SERVICING					
20	Subserviced portfolio	\$2,322.2	\$1,988.8	16.8%	\$2,164.5	7.3%
21	Servicing Yield (subserviced portfolio)	0.38%	0.41%	-7.9%	0.36%	4.5%
22	Combined average delinquency rate (MFA serviced)	7.51%	8.70%	-13.7%	9.50%	-20.9%
23	DPA loan delinquency rate (all)	7.54%	8.15%	-7.5%	N/A	N/A
24	Default rate (MFA serviced-annualized)	0.86%	0.41%	111.8%	1.30%	-33.5%
25	Subserviced portfolio delinquency rate (first mortgages)	10.71%	10.72%	-0.1%	N/A	N/A
26	Purchased Servicing Rights Valuation Change (as of 12/31/23)	\$30.6	\$11.4	168.7%	N/A	N/A

Legend:	Positive Trend	Caution	Negative Trend	Known Trend/Immaterial

NEW MEXICO MORTGAGE FINANCE AUTHORITY FINANCIAL REVIEW For the five-month period ended February 29, 2024

SUMMARY OF BOND ISSUES:

Single Family Issues: 2023D: \$125.0M 2024A/B: \$120.0M

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

PRODUCTION

• MFA has closed two bond issues as of the beginning of the fiscal year, for a combined total of \$245 million. With extremely strong production, bolstered in part by the FirstDown Plus program, MFA has exceeded its overall single-family production forecast (made in September 2023) by ~95%. MFA intends to price its next bond issue, 2024C/D, in April and close the issue in May. Payoffs have slowed 11% year-over-year, primarily because of the high-interest rate environment, leading to higher servicing income on loans as well.

STATEMENT OF NET POSITION

• Average earning assets and General Fund Cash & Securities both are higher than they were at last year, though behind where we forecasted for the month. Increases in new bond issues primarily explain how MFA is earning interest on its balance sheet mortgages. General Fund investments with the State Investment Council continued to report gains, although these gains were not as large as what it had seen as of last February.

STATEMENT OF REVENUES, EXPENSES AND NET POSITION

• Expenses for the month were higher than they were last year, but lower than its budget for the month. With revenues outpacing expenses, our combined net revenues saw a welcome gain.

• MFA's combined interest margin increased to 0.98% from 0.87% last year due to higher interest income on loans and investments. The continuation of high interest rates are positively impacting loan portfolio performance, bolstering MFA's investment income and discouraging homeowners from refinancing their loans.

MOODY's BENCHMARKS

• Based on Moody's issuer credit rating scorecard, MFA's 23.60% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (>20%). MFA's net revenue as a % of total revenue (5-year average) is currently 10.87% which, while not at the Aaa level, nevertheless demonstrates high profitability and favorable trends (10-15%). Moody's Investor Services completed an updated credit opinion on MFA's Issuer Credit Rating in June 2020. They assigned the Aa3 rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa rating on the single-family indenture in January 2024.

SERVICING

• MFA continues to monitor delinquencies and defaults on our loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. The annualized default rate is trending materially higher than last year but, notably, is below its target for year-end. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 10.70%. The subserviced portfolio is characterized by approximately 84% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of December 31, 2023, indicates that the delinquency rate for FHA loans nationally is 10.96%, and for New Mexico is 9.35%. In addition, FHA Single Family Loan Performance Trends for January 2024 showed a 13.71% delinquency (for purchase loans only), which decreased from 14.29% in December. Please note, FHA delinquency data is only available from HUD through December month-end.

• The fair market value for purchased servicing rights as of December 2023 is \$30.6 million, an increase of about \$9.4 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections, and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$21.1 million. Valuations are obtained every quarter.

ADDITIONAL NOTES

• Items 2 and 16 do not show a percent change year over year. As last year's values were zero, the percentage resulted in an error from an attempt to divide by zero. While the trend is positive, there is not an accurate depiction of the change as a percentage.

• The forecasted numbers for FYE 2024 are based off of actuals ending September 2023.









(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership Preservation Program (2) NM Affordable Housing Charitable Trust Fund; Land Title Trust Fund; Housing Trust Fund

NEW MEXICO MORTGAGE FINANCE AUTHORITY COMBINED STATEMENT OF NET POSITION FEBRUARY 2024 (THOUSANDS OF DOLLARS)

	YTD 02/29/24	YTD 02/28/23
ASSETS:		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS	\$44,198	\$51,112
RESTRICTED CASH HELD IN ESCROW	10,810	9,620
	-	- F 002
ACCRUED INTEREST RECEIVABLE OTHER CURRENT ASSETS	6,789 8,020	5,093 7,027
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	-	(0)
TOTAL CURRENT ASSETS	69,817	72,851
	175 650	100 017
CASH - RESTRICTED LONG-TERM & RESTRICTED INVESTMENTS	175,650 68,024	126,017 57,910
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,642,407	1,321,104
MORTGAGE LOANS RECEIVABLE	191,971	177,967
ALLOWANCE FOR LOAN LOSSES	(9,065)	(9,770)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	11,645	1,730
OTHER REAL ESTATE OWNED, NET OTHER NON-CURRENT ASSETS	3,237 10	2,269 12
INTANGIBLE ASSETS	22,075	17,967
TOTAL ASSETS	2,175,769	1,768,058
		, ,
DEFERRED OUTFLOWS OF RESOURCES		
REFUNDINGS OF DEBT	139	174
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	2,175,908	1,768,232
LIABILITIES AND NET POSITION:		
LIABILITIES:		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$20,333	\$11,838
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	20,334	17,202
ESCROW DEPOSITS & RESERVES	10,665	9,504
TOTAL CURRENT LIABILITIES	51,332	38,543
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,765,080	1,411,140
MORTGAGE & NOTES PAYABLE	46,395	28,271
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	471	207
TOTAL LIABILITIES	1,863,279	1,478,161
DEFERRED INFLOWS	235	264
TOTAL LIAB/DEFERRED INFLOWS	1,863,514	1,478,425
NET POSITION: NET INVESTED IN CAPITAL ASSETS	11 645	1 730
UNAPPROPRIATED NET POSITION (NOTE 1)	11,645 80,511	1,730 62,744
APPROPRIATED NET POSITION (NOTE 1)	220,238	225,333
TOTAL NET POSITION	312,395	289,807
TOTAL LIABILITIES & NET POSITION	2,175,908	1,768,232

NEW MEXICO MORTGAGE FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FIFTH MONTH ENDED FEBRUARY 2024 (THOUSANDS OF DOLLARS)

	YTD 02/29/24	YTD 02/28/23
OPERATING REVENUES:		
INTEREST ON LOANS	\$28,858	\$21,391
INTEREST ON INVESTMENTS & SECURITIES	4,451	2,509
LOAN & COMMITMENT FEES	2,222	1,425
ADMINISTRATIVE FEE INCOME (EXP)	2,418	2,072
RTC, RISK SHARING & GUARANTY INCOME	26	25
HOUSING PROGRAM INCOME	654	485
LOAN SERVICING INCOME	4,016	4,394
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	42,645	32,301
NON-OPERATING REVENUES:		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	907	713
OTHER NON-OPERATING INCOME	100	0
GRANT AWARD INCOME	44,550	33,442
SUBTOTAL NON-OPERATING REVENUES	45,557	34,155
TOTAL REVENUES	88,202	66,455
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	9,962	9,749
INTEREST EXPENSE	25,729	17,825
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,699)	(1,355)
PROVISION FOR LOAN LOSSES	(35)	(35)
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	87	62
AMORT. OF SERV. RIGHTS & DEPRECIATION	720	656
BOND COST OF ISSUANCE	2,072	1,254
SUBTOTAL OPERATING EXPENSES	36,835	28,155
NON-OPERATING EXPENSES:		
CAPACITY BUILDING COSTS	103	52
GRANT AWARD EXPENSE	39,885	34,050
OTHER NON-OPERATING EXPENSE		-
SUBTOTAL NON-OPERATING EXPENSES	39,988	34,101
TOTAL EXPENSES	76,823	62,256
NET REVENUES	11,379	4,199
OTHER FINANCING SOURCES (USES)	0	
NET REVENUES AND OTHER FINANCING SOURCES(USES)	11,379	4,199
NET POSITION AT BEGINNING OF YEAR	301,015	285,608
NET POSITION AT 02/29/24	312,395	289,807

NOTES TO FINANCIAL STATEMENTS (For Informational Purposes Only) (in Thousands of Dollars)

(Note 1) MFA Net Position as of February 29, 2024

UNAPPROPRIATED NET POSITION:

- \$ 36,836 is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
- \$ 42,917 is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
- \$ 758 is held for New Mexico Affordable Housing Charitable Trust.
- \$ 80,511 Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

By actions of the Board of Directors on various dates, General Fund net assets have been appropriated as follows:

- \$ 118,129for use in the Housing Opportunity Fund (\$108,735 in loans and grants plus \$9,395 unfunded, of which
\$5,235 is committed).
- \$ 33,853 for future use in Single Family & Multi-Family housing programs.
- \$ 1,081 for loss exposure on Risk Sharing loans.
- \$ 11,645 invested in capital assets, net of related debt.
- \$ 21,709 invested in mortgage servicing rights.
- \$ 24,078 for the future General Fund Budget year ending 09/30/24 (\$38,374 total budget
- less \$14,296 expended budget through 2/29/24.)
- \$ 210,495 Subtotal General Fund

APPROPRIATED NET POSITION: HOUSING

- \$ 21,389 for use in the federal and state housing programs administered by MFA.
- \$ 21,389 Subtotal Housing Program
- \$ 231,884 Total Appropriated Net Position
- 312,395 Total Combined Net Position at February 29, 2024

Total combined Net Position, or reserves, at February 29, 2024 was \$312 million, of which \$81 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$232 million of available reserves, with \$100 million primarily liquid in the General Fund and in the federal and state Housing programs and \$131.5 million illiquid in the programs of the General Fund, have been:

- for use in existing and future programs
- for coverage of loss exposure in existing programs
- to meet servicing requirements, and
- for support of operations necessary to carry out the programs.

MFA's general plan for bond program reserves as they may become available to MFA over the next 30 years is to use the reserves for future programs, loss exposure coverage, servicing requirements and operations.

GENERAL FUND Fiscal Year 2023-2024 Budget For the five months ended 2/29/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	841,152	4,177,169	3,346,617	8,031,882	(830,552)	3,854,713	52.01%
Interest on Investments & Securities	266,530	1,499,859	1,179,186	2,830,046	(320,673)	1,330,187	53.00%
Loan & Commitment Fees	56,657	174,960	63,750	153,000	(111,210)	(21,960)	114.35%
Administrative Fee Income (Exp)	930,466	4,214,959	4,012,163	9,629,192	(202,796)	5,414,232	43.77%
Risk Sharing/Guaranty/RTC fees	6,272	25,942	267,087	641,008	241,145	615,066	4.05%
Housing Program Income	80,613	653,772	553 <i>,</i> 869	1,835,258	(99,903)	1,181,486	35.62%
Loan Servicing Income	824,139	4,015,969	3,566,404	8,559,371	(449,565)	4,543,401	46.92%
Other Operating Income			-	-	-	-	
Operating Revenues	3,005,828	14,762,630	12,989,077	31,679,756	(1,773,554)	16,917,126	46.60%
Gain (Loss) Asset Sale/Debt Ex	(40,766)	729,952	-	-	(729,952)	(729,952)	
Other Non-operating Income	20,273	100,472	25,098	60,235	(75,375)	(40,237)	166.80%
Non-Operating Revenues	(20,493)	830,425	25,098	60,235	(805,327)	(770,190)	1378.64%
Revenue	2,985,335	15,593,055	13,014,174	31,739,991	(2,578,881)	16,146,936	49.13%
Expenses							
Salaries	578,747	2,789,367	3,526,401	8,323,579	737,033	5,534,212	33.51%
Overtime	4,926	17,326	13,299	31,885	(4,027)	14,559	54.34%
Incentives	10,127	142,786	302,801	714,768	160,015	571,982	19.98%
Payroll taxes, Employee Benefits	297,553	1,359,523	1,834,322	4,381,069	474,799	3,021,545	31.03%
Compensation	891,353	4,309,003	5,676,824	13,451,302	1,367,821	9,142,299	32.03%
Business Meals Expense	305	1,002	5,792	13,900	4,789	12,898	7.21%
Public Information	30,785	118,592	150,795	361,909	32,204	243,317	32.77%
In-State Travel	5,639	50,134	58,992	141,581	8,858	91,447	35.41%
Out-of-State Travel	13,460	71,377	130,863	314,070	59,485	242,693	22.73%
Travel & Public Information	50,188	241,105	346,442	831,460	105,337	590,355	29.00%
Utilities/Property Taxes	17,406	75,781	87,734	210,562	11,953	134,781	35.99%
Insurance, Property & Liability	22,992	115,536	102,296	245,510	(13,241)	129,974	47.06%
Repairs, Maintenance & Leases	187,841	664,264	719,806	1,709,334	55,542	1,045,070	38.86%
Supplies	2,163	14,054	14,458	34,700	405	20,646	40.50%
Postage/Express mail	3,313	21,054	19,000	45,600	(2,054)	24,546	46.17%
Telephone	1,444	8,085	12,292	29,501	4,208	21,416	27.40%
Janitorial	3,425	19,773	37,141	89,139	17,369	69,366	22.18%
Office Expenses	232,863	891,309	976,571	2,325,571	85,262	1,434,261	38.33%
Dues & Periodicals	4,461	37,445	33,374	80,097	(4,071)	42,652	46.75%
Education & Training	12,307	41,565	72,164	173,193	30,599	131,628	24.00%
Contractual Services	80,823	432,117	607,763	1,458,632	175,646	1,026,515	29.62%
Professional Services-Program	8,861	55,047	48,292	115,900	(6,755)	60,853	47.50%
Direct Servicing Expenses	690,503	3,307,417	2,441,866	5,860,479	(865,551)	2,553,062	56.44%

GENERAL FUND Fiscal Year 2023-2024 Budget For the five months ended 2/29/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Program Expense-Other	23,544	197,651	115,760	277,824	(81,891)	80,173	71.14%
Rebate Analysis Fees			663	1,590	663	1,590	
Other Operating Expense	820,500	4,071,241	3,319,881	7,967,715	(751,360)	3,896,474	51.10%
Interest Expense	277,791	1,670,389	787,515	1,890,036	(882,874)	219,647	88.38%
Non-Cash Expenses	156,033	684,998	1,415,299	3,396,718	730,301	2,711,719	20.17%
Expensed Assets	7,060	125,990	72,229	173,350	(53,761)	47,360	72.68%
Operating Expenses	2,435,787	11,994,035	12,594,761	30,036,151	600,726	18,042,116	39.93%
Program Training & Tech Asst	2,330	16,809	43,018	103,242	26,209	86,433	16.28%
Program Development	19,808	86,604	56,792	136,300	(29,813)	49,696	63.54%
Capacity Building Costs	22,138	103,413	99,809	239,542	(3,604)	136,129	43.17%
Non-Operating Expenses	22,138	103,413	99,809	239,542	(3,604)	136,129	43.17%
Expenses	2,457,926	12,097,448	12,694,570	30,275,693	597,122	18,178,245	39.96%
Excess Revenue over Expenses	527,410	3,495,607	319,604	1,464,298	(3,176,003)	(2,031,309)	238.72%

GENERAL FUND CAPITAL BUDGET Fiscal Year 2023-2024 Budget For the five months ended 2/29/24

	One Month Actual	Vear to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget	Expended Annual
2690 PURCHASED SERVICING RIGHTS	394,634	2,103,209	1,571,818	3,772,362	(531,392)	Under/(Over) 1,669,153	Budget % 55.75%
						· ·	
2950 COMPUTER HARDWARE	14,872	14,872	43,885	105,324	29,013	90,452	14.12%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	324,375	778,500	324,375	778,500	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	80,066	80,066	1,434,245	3,442,189	1,354,180	3,362,123	2.33%
Capital Budget	489,571	2,198,147	3,374,323	8,098,375	1,176,176	5,900,228	27.14%