

MFA Housing New Mexico MFA August Board of Directors Meeting August 21, 2024 9:30 am-12:00 pm Mountain Time

Chair Convenes Meeting

- ➢ Roll Call (Izzy Hernandez)
- > Approval of Agenda Board Action
- > Approval of 7/17/24 Board Meeting Minutes Board Action
- > Approval of 7/26/24 Special Board Meeting Minutes- Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Finance Committee

- 1 Financial Review Q3 (Arundhati Bose) (YES)
- 2 \$50M Investment Local Government Investment Pool (LGIP)/ State Investment Council (SIC) (Arundhati Bose) (YES)
- 3 Annual bond Resolution (Arundhati Bose & Alex Lundy) (YES)
- 4 Approval for 2024 National Housing Trust Fund (NHTF) & HOME Allocations (Donna Maestas-De Vries) (YES)
- 5 Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) Revisions (Tim Martinez & George Maestas) (YES)

Contracted Services/Credit Committee

- 6 Sandoval Flats New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas) (YES)
- 7 Mariposa Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & George Maestas) (YES)

Other

- 8 Quarterly Marketing Summary Report (Kristie Garcia) (NO)
- 9 Quarterly Multifamily Project Completion Report (George Maestas) (NO)
- 10 Employee Transaction Disclosure: Employee Transaction (Eleanor Werenko) (NO)

Other Board Items Information Only

11 (Staff is available for questions)

- Staff Action Requiring Notice to Board
- Quarterly Strategic Plan Benchmarks Update Q3 (Robyn Powell)

Quarterly Reports No Action Required

12 (Staff is available for questions)

Quarterly Investment Review

Monthly Reports No Action Required

13 (Staff is available for questions)

New Mexico Housing Trust Fund Update

Announcements and Adjournment Discussion Only

Confirmation of Upcoming Board Meetings

> September 10, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
> September 18, 2024 - Wednesday - 9:30 a.m. (MFA Board of Directors Meeting)
> October 8, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
> October 16, 2024 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

➤ November 12, 2024 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.

November 20, 2024 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

Action Required



NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Hotel Albuquerque at Old Town 800 Rio Grande Blvd NW, Albuquerque, NM 87104 Wednesday, August 21, 2024- 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda Board Action
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- > Approval of 7/26/24 Special Board Meeting Minutes- Board Action
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Board Action Items

Finance Committee

| 1 | Financial Review Q3 (Arundhati Bose) | YES |
|---------|--|-----------------|
| 2 | \$50M Investment Local Government Investment Pool (LGIP)/State Investment Council (SIC) (Arundhati Bos | / |
| 3 | Annual Bond Resolution (Arundhati Bose & Alex Lundy) | YES |
| 4 | Approval for 2024 National Housing Trust Fund (NHTF) & HOME Allocations (Donna Maestas-De Vries) | YES |
| 5 | Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) Revisions (Tim Martinez & George | YES |
| | Maestas) | |
| Co | ntracted Services/Credit Committee | |
| 6 | Sandoval Flats - New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas) | YES |
| 7 | Mariposa Apartments - New Mexico Housing Trust Fund Loan Request (Justin Carmona & George Maestas) | |
| ' | Warposa Apartinents - New Wexleo Housing Hust I and Loan Request (Justin Carmona & George Maesus) | I LD |
| Ot | her | |
| 8 | Quarterly Marketing Summary Report (Kristie Garcia) | NO |
| 9 | Quarterly Multifamily Project Completion Report (George Maestas) | NO |
| 9 10 | Employee Transaction Disclosure: Employee Transaction (Eleanor Werenko) | NO |
| 10 | Employee Transaction Disclosure. Employee Transaction (Eleanor werenko) | NO |
| Ot | her Board Items Informati | on Only |
| 11 | (Staff is available for questions) | |
| | Staff Action Requiring Notice to Board | |
| | Quarterly Strategic Plan Benchmarks Update Q3 | |
| | | |
| Qu | arterly Reports Non-Action R | Required |
| 12 | (Staff is available for questions) | |
| | Quarterly Investment Review | |
| | | |
| | onthly Reports Non-Action R | <u>Required</u> |
| 13 | (Staff is available for questions) | |

New Mexico Housing Trust Fund Update

Announcements and Adjournment

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Board Action Items

Finance Committee

- Financial Review Q3 (Arundhati Bose) ongoing.
- \$50M Investment Local Government Investment Pool (LGIP)/ State Investment Council (SIC) (Arundhati Bose) - Staff recommend approval of the Joint Powers Agreement (JPA) and the resolution.
- Annual bond Resolution (Arundhati Bose & Alex Lundy) To authorize future bonding activity and to ensure MFA can be responsive to market conditions, staff are requesting approval of the Fiscal Year 2024/2025 Single Family Bond Resolution. MFA anticipates providing funds for up to \$600 million of new loans or refinanced prior issuances. YES
- Approval for 2024 National Housing Trust Fund (NHTF) & HOME Allocations (Donna Maestas-De Vries) -Staff requests approval to allocate the NHTF in the amount of \$3,144,833 for programs and administration, and to allocate \$20,104,107 of HOME funds to the following activities.
- Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) Revisions (Tim Martinez & George Maestas) MFA staff find that the current LTTF NOFA award limitation of 30% of available funds does not account for fluctuations in the available balance and renders the program difficult to utilize sometimes over an excessive period of time. Additionally, applicants who apply when available funds are relatively low are arbitrarily limited to ineffectively small funding opportunities. As such, staff recommend removing limitations on requested funding amounts.

Contracted Services/Credit Committee

- Sandoval Flats New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas) A \$3,000,000 NMHTF loan request for Sandoval Flats, located in Rio Rancho, New Mexico. Sandoval Flats is a proposed New Construction multifamily project that will consist of 12 one-bedroom units, 108 two-bedroom units, 60 three-bedroom units, and 36 four-bedroom units. The project (100% of units) will target households with children. All 216 units will be income restricted to households earning 60% or less of Area Median Income (AMI).
- Mariposa Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & George Maestas) A \$2,000,000 NMHTF loan request for Mariposa Apartments, located in Taos, New Mexico. Mariposa Apartments is
 a proposed Acquisition/Rehabilitation and New Construction multifamily project that will create 57 one-, two-, and
 three-bedroom units for households with children. 22 units will be income restricted to households earning 60% or less
 of Area Median Income (AMI). 30 units will be income restricted to households earning 50% or less of AMI. Five
 units will be income restricted to households earning 30% or less of AMI.

YES

Action Required

Other

- Quarterly Marketing Summary Report (Kristie Garcia) The quarterly marketing and communications presentation consists of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts. NO
- Quarterly Multifamily Project Completion Report (George Maestas) For informational purposes, staff will
 provide an overview of the quarter one report on the construction progress for multifamily projects and present
 information on any upcoming loan closings and ribbon cuttings.
- Employee Transaction Disclosure: Employee Transaction (Eleanor Werenko)

Other Board Items

Information Only

Non-Action Required

Non-Action Required

Discussion Only

NO

- (Staff is available for questions)
 - Staff Action Requiring Notice to Board
 - Quarterly Strategic Plan Benchmarks Update Q3

Quarterly Reports

(Staff is available for questions)

Quarterly Investment Review

Monthly Reports

(Staff is available for questions)

New Mexico Housing Trust Fund Update

Announcements and Adjournment

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- November 20, 2024 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

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

Chair Angel Reyes convened the meeting on July 17, 2024, at 9:40 a.m. Chair Reyes stated State Treasurer Laura M. Montoya was not present at the board meeting, her proxy Christine Anaya participated in her absence. Chair Reyes administered the Oath of Office to Christine Anaya, designated proxy for State Treasurer Laura M. Montoya. Secretary Hernandez then called the roll. Members attending in person: Chair Angel Reyes, Martina C'de Baca (designee for Lieutenant Governor Howie Morales) and Rebecca Wurzburger. Virtual attendance: Derek Valdo, Gideon Elliot (designee for Attorney General Raúl Torrez), Patricia Sullivan and Christine Anaya (designee for State Treasurer Laura M. Montoya). 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, guests, and staff. He informed everyone that the meeting is being recorded, making reference to microphone sensitivity. He then provided voting protocol for those members participating virtually.

Approval of Agenda – Board Action. Motion to approve the July 17, 2024, Board agenda as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- yes, Christine Anaya-yes. Vote: 7-0.

Approval of 6/20/24 Board Meeting Minutes – Board Action. Motion to approve the June 20, 2024, Board Meeting Minutes as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- abstain, Christine Anaya-abstain. Vote: 5-0-2 abstentions.

Hernandez provided his Executive Director updates: Program Updates: Hernandez mentioned some program highlights and production data. Upcoming Meetings: 7/21-23: NMMHA 50th Anniversary Conference. 7/22: LOC #2 Meeting-Needs and Rental Development Focus. 7/24: Needs Assessment and Rebranding Press Conference. 08/16: LOC #3 Meeting. He then provided the New Mexico Housing Trust Fund Update. He also stated a detailed bond pricing update will be provided at next month's board meeting.

Consent

1 SFY2025 Recurring Severance Tax Bond Funding Resolution, Notification and Certification (Stephanie Gonzales & Robyn Powell) – The New Mexico Mortgage Finance Authority Resolution, Notification and Certification for approval, which will be submitted to the State Board of Finance, certifying the SFY2025 Severance Tax Bond funding. Motion to approve the SFY2025 Recurring Severance Tax Bond Funding Resolution, Notification and Certification as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- yes, Christine Anaya-yes. Vote: 7-0.

Finance Committee

2 FY 2024 Budget Amendment #2 (Joseph McIntyre) – McIntyre began his presentation recommending approval of the Budget Amendment to allow for increased single family mortgage loan production. He stated on 9/20/2023 the Board approved the fiscal year 2023 General Fund budget. On 10/27/2023 the Board approved Budget Amendment #1 which increased the capital outlay budget. Staff anticipates that MFA will not have sufficient expense and capital outlay budget to carry the organization through the end of the fiscal year. Therefore, we are proposing an amendment increasing the expense budget by \$4,820,011 which is offset by an increase in expected revenue of \$4,939,175. This will increase budgeted excess revenue from \$1,464,298 to \$1,583,462. The capital outlay budget will be increased by \$1,089,370 for Purchased Servicing Rights. Motion to approve the FY 2024 Budget Amendment #2 as presented: Wurzburger. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Bacayes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- yes, Christine Anaya-yes. Vote: 7-0.

3 Bond Resolution Rescinded and Restated- Peachtree Canyon (Christi Wheelock) – Wheelock began her presentation requesting approval of the attached updated Bond Resolution for Peachtree Canyon (the "Project"), authorizing the issuance of up to \$21.5 million in additional tax-exempt bonds, which are expected to close in late August 2024. The City of Las Cruces faces a significant shortage of affordable housing. MFA staff reviewed the updated proposed Project and have determined the proposed increase in Private Activity Bonds is necessary for financial feasibility and that the current financing for the Project is viable. 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 late August 2024 with construction beginning immediately upon closing. Importantly, all the units will be subject to rent restrictions for a duration of 45 years, ensuring long-term affordability. Motion to approve the Bond Resolution Rescinded and Restated as presented: C'de Baca. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- yes, Christine Anaya-yes. Vote: 7-0.

Contracted Services/Credit Committee

- 2024 Recovery Housing Program Award Recommendations (Jackie Homet) Homet began her presentation 4 requesting approval to award Recovery Housing Program funding to the New Mexico Reentry Center in the amount of \$1,000,000. A NOFA was released May 1, 2024, to solicit organizations that have the capacity to operate a Recovery Housing Program for low- to moderate-income individuals in recovery from a substance use disorder. The amount of funding available through the NOFA is \$2,349,584. Three agencies submitted applications: Supporting People in Need (SPIN) - Silver City, UNM Health Sciences Center - Lifting Opportunities for Transformation and Upward Growth ("Loft- Up") - Albuquerque, and NM Reentry Center - Albuquerque. Two applicants did not score high enough to be awarded at this time (SPIN and Loft-Up). The New Mexico Reentry Center submitted an application requesting \$1,000,000 to expand their existing recovery program in Albuquerque. This funding will allow them to expand their efforts to assist people in recovery from all substance use disorders. A projected budget was provided for utilizing the requested \$1,000,000 in Recovery Housing Program Funds. A discussion ensued regarding the projected budget. A detailed budget will be submitted to the Board via staff actions. Motion to approve the 2024 Recovery Housing Program Award Recommendation with the amendment that the contract be submitted to the Board for review: Valdo. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes, Derek Valdo- yes, Christine Anaya-yes. Vote: 7-0.
- 2023 Regional Housing Authority Annual Report (John Garcia) Garcia began his presentation recommending 5 approval of the Regional Housing Authority (RHA) 2023 Annual Report as mandated by the Regional Housing Act. The report includes operation and fiscal activities for Eastern, Western and Northern Regional Housing Authorities from 7/1/22 through 6/30/23. The Regional Housing Law 11-3A 1 et. seq NMSA 1978, mandates that MFA provide oversight of certain RHA activities, to include acceptance, review and analysis of an Annual Report, relative to Regional Housing Authority's operations and fiscal activities, to the Department of Finance and Administration (DFA), Mortgage Finance Authoity Legislative Oversight Committee (LOC), and the Legislative Finance Committee (LFC). The U.S. Department of Housing and Urban Development (HUD) funds the Regional Housing Authorities and is the agency that approves and provides oversight of operational activities such as budgets, procurements, and 5-year plans. MFA is in a role of limited oversight and works with HUD to obtain information as required per the Regional Housing Law, Chapter 11, Article 3A NMSA 1978. No funding was appropriated to MFA for the RHA oversight. MFA only has oversight responsibilities of 1. Recommendations for new member(s) of the RHA's Board of Commissioners are reviewed by the MFA Board prior to recommendation to the Governor's (NMSA 1978 § 11-3A-6 E). 2. Approve new executive directors (MFA Board) (NMSA 1978 § 11-3A-6 C). 3. Approve the articles of incorporations and bylaws, and any subsequent changes of any nonprofit entities to be created by the RHA (MFA Board) (NMSA 1978 § 11-3A-9). 4. Financial and Operational Oversight a. Approve contracts and MOUs with a value greater than \$100,000 (MFA Board) (NMSA 1978 § 11-3A-30 A (1)) b. Approve transfers, sales, or liquidations of any real or personal property with a value greater than \$100,000 (MFA Board) (NMSA 1978 § 11-3A-30 A (2)). 5. Review of the final operating budget of the RHA and each nonprofit it has established (MFA Staff and Board) (NMSA 1978 § 11-3A-30 B). 6. Receive the RHA's external financial audits (MFA Staff and Board) (NMSA 1978§ 11-3A-30-C); 7. Review of the RHA's annual report of financial and operational activities and dissemination of the same to the Department of Finance and Administration of the State of New Mexico, the MFA oversight committee, and the legislative finance committee (MFA Staff and Board) (NMSA 1978 § 11-3A-30 D). 8. Review of qualified audit opinion and recommend corrective actions where qualified audit options received for more than two

consecutive years (MFA Staff and Board) (NMSA 1978 § 11-3A-30 E), and where an RHA fails to correct any qualified audit within one year of the release of the audit all state funds shall be abated until such time as the corrective actions are taken (NMSA 1978 § 11-3A-30 E). Motion to approve the 2023 Regional Housing Authority Annual Report as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Gideon Elliot-yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent, Derek Valdo- yes, Christine Anaya-yes. Vote: 6-0.

Other

6 Semiannual Single Family Program Update (Rene Acuna) – Acuna provided an update of the Single-Family program production for the first quarter of the current fiscal year. Non-Action Item.

Other Board Items

- 7 There were no questions asked of staff.
 - Staff Actions Requiring Notice to Board

Monthly Reports

8 There were no questions asked of staff.

- 5/31/24 Financial Statements
- Marketing & Communications Monthly Update
- New Mexico Housing Trust Fund Update

Announcements and Adjournments- Confirmation of upcoming Board Meetings.

There being no further business the meeting was adjourned at 11:32 a.m.

Approved:

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Information Only

Non-Action Required

NEW MEXICO MORTGAGE FINANCE AUTHORITY Special Board Meeting Minutes 344 4th St. SW, Albuquerque, NM Friday, July 26, 2024, at 9:00 a.m.

Chair Angel Reyes convened the meeting on July 26, 2024, at 9:12 a.m. Assistant Secretary Maestas- De Vries called the roll. Members attending in person: Chair Angel Reyes. Virtual attendance: Derek Valdo, State Treasurer Laura M. Montoya, Gideon Elliot (designee for Attorney General Raúl Torrez) and Patricia Sullivan. Excused: Martina C'de Baca (designee for Lieutenant Governor Howie Morales) and Rebecca Wurzburger. Maestas-De Vries 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, guests, and staff.

Approval of Agenda – Board Action. Motion to approve the July 26, 2024, Special Board agenda as presented: Valdo. Seconded by State Treasurer Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laur M. Montoya, Gideon Elliot- yes, Proxy Martina C'de Baca- excused, Rebecca Wurzburger- excused, Patricia Sullivan- yes. Vote:5-0.

1 Approval of the Northern Regional Housing Authority Interim Executive Director (John Garcia) – Garcia began his presentation recommending approval for the Northern Regional Housing Authority (NRHA) board to hire Chris Herbert as the interim Executive Director. On March 8, 2024, the NRHA Executive Director resigned his position. The NRHA board has been struggling to recruit and hire a new director and on July 15, 2024, a special NRHA Board meeting was held to appoint Chris Herbert as the interim Executive Director. Chris Herbert is currently the Executive Director of the Eastern Regional Housing Authority and has been in this position for the past 18 years. Herbert has extensive experience in Housing Authority administration and policy development, and he was instrumental in overseeing the Raton Housing Authority and Northern Regional Housing Authority merger. Herbert has a successful working relationship with HUD and received a high-performance rating on ERHA's most recent Section 8 management assessment. His resume was attached to the board packet. Herbert's term as interim Director will be limited to 150 days (extensions, if required must be approved by MFA's Policy Committee) During this time, he will focus on recruiting a permanent Executive Director, develop a plan to bring NRHA's external audits up to date, including a corrective action plan for the resolution of any findings, and develop a plan to bring NRHA out of troubled status with HUD. A lengthy discussion ensued regarding several concerns with NRHA board processes and procedures, audit findings, budget, day to day operations and the length of time they have been without an acting ED. Clarification was sought out regarding delays that occurred during the absence of the previous Executive Director. Lastly, NRHA plans on the expectation of how they anticipate moving forward were discussed. State Treasurer Laura M. Montoya and Chair Reyes offered assistance through the State Treasurer's Office and MFA. Motion to approve the Approval of the Northern Regional Housing Authority Interim Executive Director as presented: Valdo. Seconded by Sullivan. Roll Call Vote: Angel Reves- ves, Derek Valdo- ves, State Treasurer Laura M. Montova, Gideon Elliot- ves, Proxy Martina C'de Bacaexcused, Rebecca Wurzburger- excused, Patricia Sullivan- yes. Vote:5-0.

There being no further business the meeting was adjourned at 9:40 a.m.

Approved:



New Mexico Mortgage Finance Authority

Finance/Operations Committee Meeting Tuesday, August 13, 2024 at 1:30 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 2494 245 9027 or you can join the call from the calendar item

| | AGENDA ITEM | COMMITTEE RECOMMENDED | BOARD ACTION REQUIRED |
|----------------|--|--------------------------|--------------------------|
| <u>A</u> 1 | genda Approval for 2024 National Housing Trust Fund (NHTF) & HOME allocations- Donna Maestas-De Vries | 3-2 | YES |
| 2 | Financial Statement Review Q3 2024 – Arundhati Bose | 3-7 | YES |
| 3 | Investment of \$50M in LGIP – Arundhati Bose | 3-0 | YES |
| 4 | Annual Bond Resolution – Alex Lundy | 3-2 | YES |
| 5 | 2025 Qualified Allocation Plan – Jeanne Redondo & Jacobo Martinez | / | NO |
| 6 | Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) Revisions – Tim Martinez & George Maestas | 3-0 | YES |
| <u>In</u> 7 | formation Items June 2024 Wire Transfers | / | NO |
| 8 | June 2024 Check Register | | NO |

Committee Members present:

Derek Valdo, Chair State Treasurer Laura M. Montoya Lt. Governor Howie Morales or Proxy Martina C'de Baca

□ present □ present \Box absent \Box absent

ent

☐ conference call ☐ conference call

□ present

□ absent

Conference call

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New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

June 30, 2024

NEW MEXICO MORTGAGE FINANCE AUTHORITY FINANCIAL REVIEW For the nine-month period ended June 30, 2024

| | RODUCTION | <u>6/30/2024</u> | <u>6/30/2023</u> | Maan / Maan |
|--------|--|------------------|------------------|--------------------|
| | RODUCTION | | | <u>Year / Year</u> |
| PRO | | | | |
| 1 Sin | ngle family issues (new money): | \$370.0 | \$215.0 | 72.1% |
| 2 Sin | ngle family loans sold (TBA): | \$69.2 | \$2.0 | 3375.8% |
| 3 | Total Single Family Production | \$439.2 | \$217.0 | 102.4% |
| 4 Sin | ngle Family Bond MBS Payoffs: | \$39.8 | \$40.4 | -1.4% |
| ST/ | ATEMENT OF NET POSITION | | _ | |
| 5 Avg | /g. earning assets: | \$2,035.1 | \$1,717.0 | 18.5% |
| 6 Gei | eneral Fund Cash and Securities: | \$99.6 | \$100.9 | -1.3% |
| 7 SIC | C FMV Adj. (General Fund): | \$1.1 | \$0.2 | 343.8% |
| 8 Tot | otal bonds outstanding: | \$1,863.3 | \$1,478.9 | 26.0% |
| ST/ | ATEMENT OF REVENUES, EXPENSES AND NET POSITION | | | |
| 9 Gei | eneral Fund expenses (excluding capitalized assets): | \$23.6 | \$18.4 | 28.6% |
| 10 Gei | eneral Fund revenues: | \$29.2 | \$24.2 | 20.9% |
| 11 Cor | ombined net revenues (all funds): | \$26.2 | \$10.1 | 158.6% |
| 12 SIC | C FMV Adj. (Combined net revenues): | \$1.2 | \$0.1 | 1917.6% |
| 13 Cor | ombined net position: | \$327.2 | \$295.7 | 10.6% |
| 14 Cor | ombined return on avg. earning assets: | 1.71% | 0.79% | 118.2% |
| 15 SIC | C FMV Adj. (return on avg. earning assets): | 0.08% | 0.00% | |
| 16 Net | et TBA profitability: | 1.71% | 0.81% | 111.2% |
| 17 Cor | ombined interest margin: | 0.89% | 0.86% | 4.4% |
| МС | OODY'S BENCHMARKS | | | |
| 18 Net | et Asset to debt ratio (5-yr avg): | 23.48% | 24.70% | -4.9% |
| 19 Net | et rev as a % of total rev (5-yr avg): | 10.93% | 9.56% | 14.3% |
| SEF | RVICING | | | |
| 20 Sub | Ibserviced portfolio | \$2,451.9 | \$2,035.4 | 20.5% |
| 21 Ser | ervicing Yield (subserviced portfolio) | 0.39% | 0.40% | -3.4% |
| 22 Cor | ombined average delinquency rate (MFA serviced) | 8.37% | 8.32% | 0.6% |
| 23 DP/ | PA loan delinquency rate (all) | 9.43% | 7.13% | 32.3% |
| 24 Def | efault rate (MFA serviced-annualized) | 0.85% | 0.63% | 36.2% |
| 25 Sub | ibserviced portfolio delinquency rate (first mortgages) | 11.59% | 9.84% | 17.8% |
| 26 Pur | urchased Servicing Rights Valuation Change (as of 6/30/24) | \$12.5 | \$11.0 | 13.6% |

| Legend: | Positive Trend | Caution | Negative Trend |
|---------|----------------|---------|----------------|
| | | | |

| Forecast | Actual to |
|------------------|-----------------|
| <u>6/30/2024</u> | Forecast |
| | |
| \$225.5 | 64.1% |
| \$18.3 | 278.8% |
| \$243.8 | 80.2% |
| \$44.9 | -11.3% |
| | |
| \$1,985.3 | 2.5% |
| \$117.4 | -15.2% |
| N/A | N/A |
| \$1,712.5 | 8.8% |
| | |
| \$22.9 | 3.1% |
| \$23.3 | 25.3% |
| (\$0.0) | |
| N/A | |
| \$350.0 | -6.5% |
| 0.00% | |
| N/A | |
| 0.10% | 1608.2% |
| 0.40% | 120.9% |
| | |
| 24.82% | -5.4% |
| 8.98% | 21.7% |
| | |
| \$2,194.9 | 11.7% |
| 0.36% | 7.8% |
| 9.50% | -11.9% |
| N/A | N/A |
| 1.30% | -34.4% |
| N/A | N/A |
| N/A | N/A |

Known Trend/Immaterial

SUMMARY OF BOND ISSUES:

Single Family Issues:

2023D: \$125.0M 2024A/B: \$120.0M 2024C/D: \$125.0M

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

PRODUCTION

• MFA has closed three bond issues as of the beginning of the fiscal year, for a combined total of \$370 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 ~80%.

• June marks one year of settlements with its TBA program, which was dormant for the majority of FY23. In the current fiscal year, while TBA production has paled in comparison to bond production, MFA has nevertheless sold a sizeable amount (~\$69M) of loans through the TBA market.

STATEMENT OF NET POSITION

• Average earning assets is higher than it was at this point last year and effectively in-line with what MFA forecasted for the month. Increases in new bond issues primarily explain how MFA is earning interest on its balance sheet mortgages. General Fund Cash & Securities is lagging its budget more than anticipated, which was caused primarily fueled by timing differences in the cash balances with the Federal Home Loan Bank of Dallas (FHLB), but performance is still improved over last year. General Fund investments with the State Investment Council continued to report gains.

STATEMENT OF REVENUES, EXPENSES AND NET POSITION

• Expenses for the month were higher than they were last year, but mostly in-line with what MFA budgeted for. Our combined net revenues continue to see welcome gains.

• MFA's TBA-funded programs, which halted last year due to poor rate offerings, has provided welcome profitability since the beginning of the fiscal year. At 1.71%, MFA's current profitability is much stronger than both its FY24 goal (0.5%) and its profiability margin from June of last year (0.81%).

MOODY's BENCHMARKS

• Based on Moody's issuer credit rating scorecard, MFA's 23.48% 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 10.93% 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 subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 11.59%. The subserviced portfolio is characterized by approximately 83% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of March 31, 2024, indicates that the delinquency rate for FHA loans nationally is 10.39%, and for New Mexico is 8.23%. In addition, FHA Single Family Loan Performance Trends for May 2024 showed a 12.17% delinquency (for purchase loans only), which decreased from 12.20% in April.

• MFA's annualized default rate is 0.85%, which noticably higher than last June, but also well below its target rate of 1.30%.

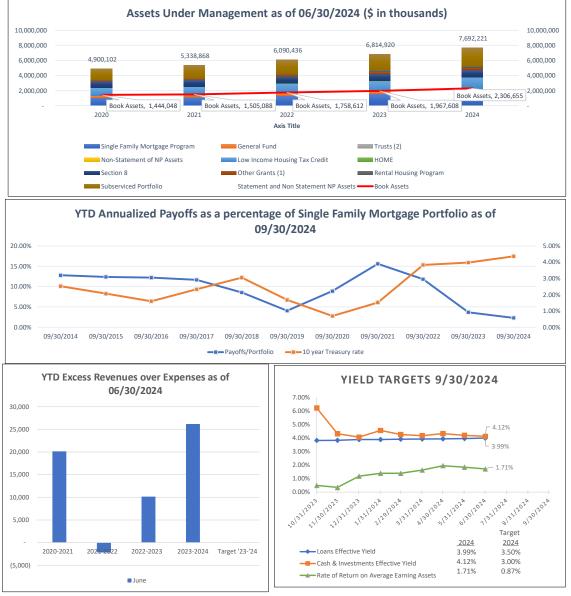
• The fair market value for purchased servicing rights as of June 2024 is \$34.9 million, an increase of about \$1.2 million and ~12.5 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections, and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$22.3 million. Valuations are obtained every quarter.

ADDITIONAL NOTES

• Item 15 does 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.
- The colors in the % Change columns (E & G) reference a materiality threshold of 10%, with a cautionary range between 10% and 25%.

*Please note: after presenting in Finance Committee, staff located an error within the comparable column of 9 months ending 6/30/2023, resulting in an incorrect analysis. The error has been rectified and reviewed.



(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 JUNE 2024 (THOUSANDS OF DOLLARS)

| | YTD 06/30/24 | YTD 6/30/23 |
|--|---------------------|---------------------|
| ASSETS: | | |
| CURRENT ASSETS: | | |
| CASH & CASH EQUIVALENTS | \$49,808 | \$43,315 |
| RESTRICTED CASH HELD IN ESCROW | 10,174 | 9,862 |
| SHORT-TERM INVESTMENTS ACCRUED INTEREST RECEIVABLE | - 7,910 | - 5,373 |
| OTHER CURRENT ASSETS | 10,446 | 8,858 |
| ADMINISTRATIVE FEES RECEIVABLE (PAYABLE) | - | - |
| INTER-FUND RECEIVABLE (PAYABLE) | | (0) |
| TOTAL CURRENT ASSETS | 78,339 | 67,408 |
| CASH - RESTRICTED | 160,382 | 143,098 |
| LONG-TERM & RESTRICTED INVESTMENTS | 63,340 | 69,858 |
| INVESTMENTS IN RESERVE FUNDS | - | - |
| FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS | 1,759,249 | 1,380,500 |
| MORTGAGE LOANS RECEIVABLE | 214,033 | 183,047 |
| ALLOWANCE FOR LOAN LOSSES | (9,107) | (9,876) |
| NOTES RECEIVABLE FIXED ASSETS, NET OF ACCUM. DEPN | - 13,490 | - 11,635 |
| OTHER REAL ESTATE OWNED, NET | 3,828 | 2,240 |
| OTHER NON-CURRENT ASSETS | 8 | 11 |
| INTANGIBLE ASSETS | 23,105 | 19,660 |
| TOTAL ASSETS | 2,306,655 | 1,867,582 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| REFUNDINGS OF DEBT | 131 | 162 |
| TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES | 2,306,786 | 1,867,744 |
| LIABILITIES AND NET POSITION: | | |
| | | |
| LIABILITIES: | | |
| CURRENT LIABILITIES: | COL 100 | Ф40 Г04 |
| ACCRUED INTEREST PAYABLE ACCOUNTS PAYABLE AND ACCRUED EXPENSES | \$25,188 18,063 | \$18,584 16,704 |
| ESCROW DEPOSITS & RESERVES | 9,954 | 9,743 |
| TOTAL CURRENT LIABILITIES | 53,204 | 45,032 |
| | 4 000 000 | 4 470 000 |
| BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT MORTGAGE & NOTES PAYABLE | 1,863,292 62,204 | 1,478,930 47,611 |
| ACCRUED ARBITRAGE REBATE | - | - |
| OTHER LIABILITIES | 684 | 192 |
| TOTAL LIABILITIES | 1,979,384 | 1,571,764 |
| DEFERRED INFLOWS | 223 | 255 |
| TOTAL LIAB/DEFERRED INFLOWS | 1,979,607 | 1,572,019 |
| | | |
| NET POSITION: | 40,400 | 44.005 |
| NET INVESTED IN CAPITAL ASSETS UNAPPROPRIATED NET POSITION (NOTE 1) | 13,490 53,756 | 11,635 66,160 |
| APPROPRIATED NET POSITION (NOTE 1) | 259,933 | 217,929 |
| TOTAL NET POSITION | 327,179 | 295,725 |
| | 0.000 700 | 4 007 7 4 4 |
| TOTAL LIABILITIES & NET POSITION | 2,306,786 | 1,867,744 |

NEW MEXICO MORTGAGE FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE NINE MONTHS ENDED JUNE 2024 (THOUSANDS OF DOLLARS)

| | YTD 06/30/24 | YTD 6/30/23 |
|--|--------------|-------------|
| OPERATING REVENUES: | | |
| INTEREST ON LOANS | \$55,048 | \$40,018 |
| INTEREST ON INVESTMENTS & SECURITIES | 7,777 | 4,933 |
| LOAN & COMMITMENT FEES | 3,849 | 2,351 |
| ADMINISTRATIVE FEE INCOME (EXP) | 4,788 | 3,786 |
| RTC, RISK SHARING & GUARANTY INCOME | 47 | 40 |
| HOUSING PROGRAM INCOME | 1,702 | 1,641 |
| LOAN SERVICING INCOME | 7,631 | 7,435 |
| OTHER OPERATING INCOME | | |
| SUBTOTAL OPERATING REVENUES | 80,843 | 60,204 |
| NON-OPERATING REVENUES: | | |
| ARBITRAGE REBATE INCOME (EXPENSE) | - | - |
| GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT | 1,269 | (56) |
| OTHER NON-OPERATING INCOME | 102 | 67 |
| GRANT AWARD INCOME | 91,106 | 76,115 |
| SUBTOTAL NON-OPERATING REVENUES | 92,477 | 76,125 |
| TOTAL REVENUES | 173,319 | 136,329 |
| OPERATING EXPENSES: | | |
| ADMINISTRATIVE EXPENSES | 18,623 | 15,597 |
| INTEREST EXPENSE | 49,173 | 33,921 |
| AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT) | (3,152) | (2,548) |
| PROVISION FOR LOAN LOSSES | 424 | 424 |
| MORTGAGE LOAN & BOND INSURANCE | - | - |
| TRUSTEE FEES | 157 | 119 |
| AMORT. OF SERV. RIGHTS & DEPRECIATION | 2,021 | 1,309 |
| BOND COST OF ISSUANCE | 3,223 | 1,991 |
| SUBTOTAL OPERATING EXPENSES | 70,468 | 50,813 |
| NON-OPERATING EXPENSES: | | |
| CAPACITY BUILDING COSTS | 280 | 139 |
| GRANT AWARD EXPENSE | 76,407 | 75,261 |
| OTHER NON-OPERATING EXPENSE | | - |
| SUBTOTAL NON-OPERATING EXPENSES | 76,687 | 75,400 |
| TOTAL EXPENSES | 147,155 | 126,213 |
| NET REVENUES | 26,164 | 10,117 |
| OTHER FINANCING SOURCES (USES) | (0) | - |
| NET REVENUES AND OTHER FINANCING SOURCES(USES) | 26,164 | 10,117 |
| NET POSITION AT BEGINNING OF YEAR | 301,015 | 285,608 |
| NET POSITION AT 06/30/24 | 327,179 | 295,725 |

NOTES TO FINANCIAL STATEMENTS (For Informational Purposes Only) (in Thousands of Dollars)

(Note 1) MFA Net Position as of June 30, 2024

UNAPPROPRIATED NET POSITION:

- \$ 35,847 is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
- \$ 53,078 is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
- \$ 678 is held for New Mexico Affordable Housing Charitable Trust.
- \$ 89,603 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 (\$108,527 in loans and grants plus \$9,602 unfunded, of which
\$5,118 is committed).
- \$ 50,781 for future use in Single Family & Multi-Family housing programs.
- \$ 1,035 for loss exposure on Risk Sharing loans.
- \$ 13,490 invested in capital assets, net of related debt.
- \$ 22,334 invested in mortgage servicing rights.
- \$ 9,332 for the future General Fund Budget year ending 09/30/24 (\$38,374 total budget
- less \$29,042 expended budget through 6/30/24.)
- \$ 215,101 Subtotal General Fund

APPROPRIATED NET POSITION: HOUSING

- \$ 22,475 for use in the federal and state housing programs administered by MFA.
- \$ 22,475 Subtotal Housing Program
- \$ 237,576 Total Appropriated Net Position
- **327,179** Total Combined Net Position at June 30, 2024

Total combined Net Position, or reserves, at June 30, 2024 was \$327 million, of which \$90 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$238 million of available reserves, with \$99.6 million primarily liquid in the General Fund and in the federal and state Housing programs and \$138 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 nine months ended 6/30/2024

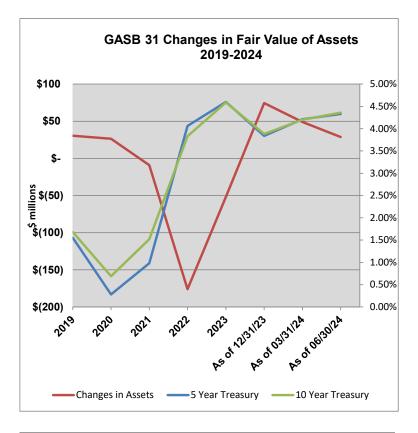
| | One Month Actual | Year to Date Actuals | Year to Date ProRata Budget | Annual Budget | YTD Budget Under/(Over) | Annual Budget Under/(Over) | Expended Annual Budget % |
|--------------------------------------|------------------|----------------------|--------------------------------|---------------|----------------------------|-------------------------------|-----------------------------|
| Revenue | | | | | | | |
| Interest Income | 788,676 | 7,534,287 | 6,023,911 | 8,031,882 | (1,510,376) | 497,595 | 93.80% |
| Interest on Investments & Securities | 298,143 | 2,683,339 | 2,122,534 | 2,830,046 | (560,804) | 146,707 | 94.82% |
| Loan & Commitment Fees | 47,662 | 326,690 | 114,750 | 153,000 | (211,940) | (173,690) | 213.52% |
| Administrative Fee Income (Exp) | 982,542 | 8,017,448 | 7,221,894 | 9,629,192 | (795,554) | 1,611,744 | 83.26% |
| Risk Sharing/Guaranty/RTC fees | 12,509 | 46,068 | 480,756 | 641,008 | 434,688 | 594,940 | 7.19% |
| Housing Program Income | 525,906 | 1,702,024 | 898,489 | 1,835,258 | (803,535) | 133,234 | 92.74% |
| Loan Servicing Income | 872,442 | 7,630,645 | 6,419,528 | 8,559,371 | (1,211,117) | 928,726 | 89.15% |
| Other Operating Income | | | - | - | - | - | |
| Operating Revenues | 3,527,880 | 27,940,501 | 23,281,863 | 31,679,756 | (4,658,638) | 3,739,255 | 88.20% |
| Gain (Loss) Asset Sale/Debt Ex | 458,882 | 1,181,180 | - | - | (1,181,180) | (1,181,180) | |
| Other Non-operating Income | 1,016 | 101,529 | 45,176 | 60,235 | (56,352) | (41,294) | 168.55% |
| Non-Operating Revenues | 459,898 | 1,282,708 | 45,176 | 60,235 | (1,237,532) | (1,222,473) | 2129.51% |
| Revenue | 3,987,778 | 29,223,210 | 23,327,039 | 31,739,991 | (5,896,170) | 2,516,782 | 92.07% |
| Expenses | | | | | | | |
| Salaries | 569,682 | 5,364,363 | 6,402,246 | 8,323,579 | 1,037,883 | 2,959,216 | 64.45% |
| Overtime | 1,495 | 34,102 | 24,435 | 31,885 | (9,667) | (2,217) | 106.95% |
| Incentives | 213,782 | 534,151 | 549,732 | 714,768 | 15,581 | 180,617 | 74.73% |
| Payroll taxes, Employee Benefits | 291,637 | 2,568,973 | 3,326,688 | 4,381,069 | 757,715 | 1,812,096 | 58.64% |
| Compensation | 1,076,596 | 8,501,590 | 10,303,101 | 13,451,302 | 1,801,511 | 4,949,711 | 63.20% |
| Business Meals Expense | 345 | 1,918 | 10,425 | 13,900 | 8,507 | 11,982 | 13.80% |
| Public Information | 30,331 | 216,612 | 271,432 | 361,909 | 54,820 | 145,297 | 59.85% |
| In-State Travel | 4,263 | 66,764 | 106,186 | 141,581 | 39,422 | 74,817 | 47.16% |
| Out-of-State Travel | 4,043 | 108,306 | 235,553 | 314,070 | 127,246 | 205,764 | 34.48% |
| Travel & Public Information | 38,981 | 393,600 | 623,595 | 831,460 | 229,995 | 437,860 | 47.34% |
| Utilities/Property Taxes | 15,292 | 128,882 | 157,922 | 210,562 | 29,040 | 81,680 | 61.21% |
| Insurance, Property & Liability | 22,992 | 211,002 | 184,133 | 245,510 | (26,869) | 34,508 | 85.94% |
| Repairs, Maintenance & Leases | (81,533) | | 1,285,251 | 1,709,334 | 295,416 | 719,499 | 57.91% |
| Supplies | 5,276 | 23,198 | 26,025 | 34,700 | 2,827 | 11,502 | 66.85% |
| Postage/Express mail | 5,600 | 40,267 | 34,200 | 45,600 | (6,067) | 5,333 | 88.30% |
| Telephone | 1,550 | 12,173 | 22,126 | 29,501 | 9,953 | 17,328 | 41.26% |
| Janitorial | 3,044 | 32,433 | 66,854 | 89,139 | 34,421 | 56,706 | 36.38% |
| Office Expenses | (33,315) | | 1,747,428 | 2,325,571 | 363,999 | 942,141 | 59.49% |
| Dues & Periodicals | 4,022 | 57,036 | 60,073 | 80,097 | 3,037 | 23,062 | 71.21% |
| Education & Training | 2,715 | 64,971 | 129,895 | 173,193 | 64,924 | 108,222 | 37.51% |
| Contractual Services | 86,627 | 766,210 | 1,093,974 | 1,458,632 | 327,764 | 692,422 | 52.53% |
| Professional Services-Program | 3,760 | 109,778 | 86,925 | 115,900 | (22,853) | 6,122 | 94.72% |
| Direct Servicing Expenses | 601,361 | 6,250,200 | 4,395,359 | 5,860,479 | (1,854,841) | (389,721) | 106.65% |

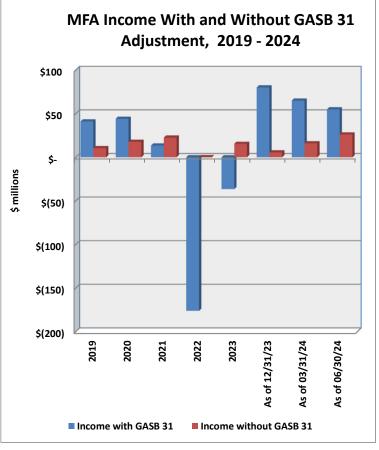
GENERAL FUND Fiscal Year 2023-2024 Budget For the nine months ended 6/30/2024

| | | | Year to Date | | YTD Budget | Annual Budget | Expended Annual | |
|------------------------------|------------------|----------------------|----------------|------------------------------|-------------|---------------|-----------------|--|
| | One Month Actual | Year to Date Actuals | ProRata Budget | ProRata Budget Annual Budget | | Under/(Over) | Budget % | |
| Program Expense-Other | 19,964 | 280,532 | 208,368 | 277,824 | (72,164) | (2,708) | 100.97% | |
| Rebate Analysis Fees | | | 1,193 | 1,590 | 1,193 | 1,590 | | |
| Miscellaneous | 33,000 | 33,000 | | | (33,000) | (33,000) | | |
| Other Operating Expense | 751,450 | 7,561,726 | 5,975,786 | 7,967,715 | (1,585,940) | 405,989 | 94.90% | |
| Interest Expense | 274,603 | 2,922,311 | 1,417,527 | 1,890,036 | (1,504,784) | (1,032,275) | 154.62% | |
| Non-Cash Expenses | 666,076 | 2,439,227 | 2,547,538 | 3,396,718 | 108,311 | 957,490 | 71.81% | |
| Expensed Assets | 1,653 | 149,113 | 130,012 | 173,350 | (19,100) | 24,237 | 86.02% | |
| Operating Expenses | 2,776,045 | 23,350,996 | 22,744,988 | 30,036,151 | (606,008) | 6,685,155 | 77.74% | |
| Program Training & Tech Asst | 103,361 | 148,893 | 77,432 | 103,242 | (71,461) | (45,651) | 144.22% | |
| Program Development | 10,061 | 131,122 | 102,225 | 136,300 | (28,897) | 5,178 | 96.20% | |
| Capacity Building Costs | 113,421 | 280,015 | 179,657 | 239,542 | (100,359) | (40,473) | 116.90% | |
| Non-Operating Expenses | 113,421 | 280,015 | 179,657 | 239,542 | (100,359) | (40,473) | 116.90% | |
| Expenses | 2,889,466 | 23,631,011 | 22,924,645 | 30,275,693 | (706,366) | 6,644,682 | 78.05% | |
| Excess Revenue over Expenses | 1,098,313 | 5,592,198 | 402,394 | 1,464,298 | (5,189,804) | (4,127,900) | 381.90% | |

GENERAL FUND CAPITAL BUDGET Fiscal Year 2023-2024 Budget For the nine months ended 6/30/24

| | One Month Actual Yea | r to Date Actuals | Year to Date ProRata Budget | Annual Budget | YTD Budget Under/(Over) | Annual Budget Under/(Over) | Expended Annual Budget % |
|----------------------------------|----------------------|-------------------|--------------------------------|---------------|----------------------------|-------------------------------|-----------------------------|
| 2690 PURCHASED SERVICING RIGHTS | 224,003 | 3,432,746 | 2,829,272 | 3,772,362 | (603,475) | 339,616 | 91.00% |
| 2950 COMPUTER HARDWARE | - | 14,872 | 78,993 | 105,324 | 64,121 | 90,452 | 14.12% |
| 2960 SOFTWARE LICENSES | (5,381) | - | - | - | - | - | |
| 2920 FURNITURE & EQUIPMENT-10 YR | - | - | 583,875 | 778,500 | 583,875 | 778,500 | 0.00% |
| 2930 FURNITURE & EQUIP, 5 YR. | - | - | - | - | - | - | |
| 2860 BUILDING | 817,596 | 1,963,041 | 2,581,642 | 3,442,189 | 618,601 | 1,479,148 | 57.03% |
| Capital Budget | 1,036,218 | 5,410,659 | 6,073,781 | 8,098,375 | 663,122 | 2,687,716 | 66.81% |





New Mexico Mortgage Finance Authority Loan and Credit Line Activity As of 6/30/2024

| Lender | Purpose | Collateral | Board Authorization Date | Authority Limit | Outstanding 3/31/2024 | Advances | Repayments | Outstanding 6/30/2024 | Maturity | Interest Rate as of 06/30/2024 | Interest Payments this quarter |
|-----------------|---|------------------------|-------------------------------------|-----------------|--------------------------|-------------|-------------|--------------------------|------------|--------------------------------------|--------------------------------------|
| Community Banks | Fund DPA program and assist financial institutions meet CRA requirements | DPA portfolio | March 2018 | 5,000,000 | - | | - | - | n/a | n/a | |
| FHLB | Mortgage Backed Security Warehouse, Loans Held for Sale Program | Mortgage loan pipeline | October 2017 | 60,000,000 | 42,500,000 | 303,000,000 | 307,500,000 | 38,000,000 | 7/1/2024 | 5.58% | 674,148 |
| FHLB | Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations | Securities | October 2017 | 25,000,000 | 15,000,000 | | | 15,000,000 | 12/2/2024 | 5.41% | 205,205 |
| Main Bank | Loan for Building on Jefferson | Jefferson Building | May 15, 2023 | 8,000,000 | 7,456,826 | | 166,106 | 7,290,720 | 5/15/2033 | 4.26% | 79,382 |
| USDA-RD | Preservation Revolving Loan Fund Demonstration Program | PRLF mortgage loans | September 2015 April 2014, March | 2,125,000 | 531,250 | | | 531,250 | 5/15/2051 | 1.00% | 1,321 |
| SBIC | Capitalize Primero Loan Fund | None | 2019, September 2023 | 3,500,000 | - | | | - | 11/30/2028 | n/a | |
| Wells Fargo | Capitalize Primero Loan Fund | None | October 2011 | 850,000 | - | | | - | 12/7/2023 | 2.00% | |
| USDA-RD | Preservation Revolving Loan Fund Demonstration Program | PRLF mortgage loans | May 2011 | 2,000,000 | 1,381,636 | | | 1,381,636 | 1/20/2042 | 1.00% | 3,435 |
| | TOTAL | | | 101,475,000 | 66,869,713 | 303,000,000 | 307,666,106 | 62,203,607 | | | 963,490 |

| HOUSING NEW MEXICO MFA | MEMO |
|---------------------------|---|
| TO: | Housing New Mexico Board of Directors Through: Finance Committee; 8/13/2024 |
| FROM: | Arundhati Bose |
| DATE: | 8/21/2024 |
| SUBJECT: | Investment of \$50M appropriation in LGIP – JPA and Resolution |

Recommendation: Staff recommends approval of the Joint Powers Agreement (JPA) between Housing New Mexico/ MFA; the NM State Investment Council and the office of the State Treasurer to ensure the authorization of Investment of \$50 Million of State appropriated funds to the LGIP (Local Government investment Pool) short term fund.

Background: Housing New Mexico/ MFA requests for a resolution to be recommended by the Finance Committee and approved by MFA Board to authorize the investment of \$50 Million of the New Mexico Housing Trust Fund (NMHTF) funds in the LGIP contingent upon review by New Mexico State Investment Council.

Discussion: Housing New Mexico/MFA would execute a Joint Powers Agreement (JPA) to invest the above mentioned \$50 Million dollars in LGIP short term fund providing the State Investment Office (SIO) and STO (state Treasurer's Office) authorized signatures and other necessary documents as applicable.

Summary: Staff recommend approval of the JPA and the resolution.

NEW MEXICO MORTGAGE FINANCE AUTHORITY

A RESOLUTION

AUTHORIZING THE INVESTMENT OF <u>UP TO</u> FIFTY MILLION DOLLARS OF NEW MEXICO HOUSING TRUST FUND FUNDS IN THE LOCAL GOVERNMENT INVESTMENT POOL SHORT-TERM FUND<u>AND TO ADDITIONALLY ALLOW</u> <u>REINVESTMENT OF THE EARNINGS ATTRIBUTABLE TO THE NEW MEXICO</u> <u>HOUSING TRUST FUND IN THE LGIP SHORT-TERM FUND</u>, CONTINGENT UPON REVIEW BY THE NEW MEXICO STATE INVESTMENT COUNCIL

August 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, Sections 58-18-1 through 58-18-27 NMSA 1978 (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" (the "Authority"), said Authority 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, the purposes of the Authority are to provide decent, safe and sanitary residential housing to persons of low or moderate income;

WHEREAS, the Legislature of the State of New Mexico (the "State"), at its 2005 regular session, adopted Chapter 105, Laws of New Mexico, 2005, known and cited as the New Mexico Housing Trust Fund Act, Sections 58-18C-1 through 58-18C-9 NMSA 1978 (the "NMHTF Act");

WHEREAS, the purpose of the NMHTF Act is to provide flexible funding for housing initiatives in order to produce significant additional housing investment in the state;

WHEREAS, pursuant to Section 58-18C-4 NMSA 1978 of the NMHTF Act, "the 'New Mexico housing trust fund' is created in the [A]uthority," the Authority "shall be the trustee for the fund," and "money in the fund is appropriated to the [A]uthority for the purposes of carrying out the provisions of the [NMHTF Act]";

WHEREAS, pursuant to Section 58-18-5 NMSA 1978 of the Act the Authority is authorized to "act as trustee and statewide administrator of the New Mexico housing trust fund pursuant to and to receive funds under the New Mexico Housing Trust Fund Act";

WHEREAS, the New Mexico State Legislature, during its 2024 Legislative Session, pursuant to Section 10, Subsection 4 of the General Appropriations Act of 2024, allocated fifty million and no/100 dollars (\$50,000,000.00) to the Authority as Trustee of the New Mexico Housing Trust Fund to carry out the provisions of the Affordable Housing Act to acquire, build and rehabilitate affordable housing for people statewide, including those with behavioral health needs and victims of domestic violence;

WHEREAS, the Authority approved and certified the uses of the one-time allocation to the Fund on June 20, 2024, and intends that the Authority will expend the allocation over a period of approximately three years, identifying a need for sufficiently low-risk, short to medium term, high-liquidity investments;

WHEREAS, pursuant to Section 58-18C-4(A) NMSA 1978 the New Mexico State Investment Council ("NMSIC") is the investment agent for the New Mexico Housing Trust Fund;

WHEREAS, the focus of the NMSIC is on long-term investments;

WHEREAS, pursuant to Section 6-10-10.1 NMSA 1978 the Local Government Investment Pool ("LGIP":) is established in the state treasury, consisting of "all deposits from participating governments. . . that are placed in the custody of the state treasurer for investment purposes";

WHEREAS, the LGIP is divided into subfunds for short-term and medium-term investment purposes which meet the objectives of the Authority for short to medium term, high-liquidity investments;

WHEREAS, pursuant to Section 6-10-10.1(K) NMSA 1978, a quasi-governmental body created pursuant to New Mexico statute may become a participating government in the LGIP if the governing authority of the quasi-governmental body has adopted a resolution authorizing the quasi-governmental body to remit money to the state treasurer for investment in the LGIP;

WHEREAS, the Authority wishes to authorize investment of <u>up to</u> fifty million and no/100 dollars in New Mexico Housing Trust Fund funds in the LGIP-Short-Term Fund<u>and to</u> additionally allow reinvestment of the earnings attributable the New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund, contingent upon review and approval by the NMSIC;

WHEREAS, in order to effectuate the authority granted hereunder, the Authority, NMSIC and the Office of the New Mexico State Treasurer ("STO") shall enter into a Joint Powers Agreement subject to the approval of the Secretary of Finance and Administration of the State of New Mexico, the form of which is attached hereto as Exhibit A (the "Joint Powers Agreement");

WHEREAS, to further effectuate the authority granted hereunder, the Authority, the NMSIC and the STO will cooperatively and jointly exercise common powers with respect to oversight of the investment of the New Mexico Housing Trust Fund as set forth in the Joint Powers Agreement.

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

Section 1. The Authority is authorized to remit money to the STO for investment in the LGIP <u>Short-Term Fund</u> in consultation with NMSIC.

Section 2. The Authority is authorized to enter into the Joint Powers Agreement attached hereto as Exhibit A ("Joint Powers Agreement") among the Authority, the NMSIC and the STO subject to the approval of the Secretary of Finance and Administration of the State of New Mexico.

Section 2. The Authority is authorized to withdraw New Mexico Housing Trust Fund funds from the LGIP Short-Term Fund as needed to finance New Mexico Housing Trust Fund programs pursuant to the Liquidation of Funds provisions in the Joint Powers Agreement.

Section 3. All right, title and interest in the money invested by the MFA pursuant to the Joint Powers Agreement (including, but not limited to all amounts from the New Mexico Housing Trust Fund remitted to the STO and all earnings attributable to the New Mexico Housing Trust Fund) will at all times be vested in the MFA for the purposes of carrying out the New Mexico Housing Trust Fund Act (Sections 58-18C-1 through 58-18C-9 NMSA 1978).

Section 4. The Authority shall provide to the State Investment Office ("SIO") and the STO its duly approved Authorized Signatures Resolution, and any updates thereof within five (5) business days after adopted by the Authority.

Section 5. After the New Mexico Housing Trust Fund is invested in the LGIP Short-Term Fund, the Authority will pay to the STO, on a monthly basis, reasonable audit, administrative and investment expenses as provided in Section 6-10-10.1 NMSA 1978 and acknowledges those expenses will be deducted directly from the net investment income for the investment and administrative services, as provided in the Joint Powers Agreement.

ADOPTED: Aye: Nay:

Abstain:

Absent:

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

Angel Reyes, Chair

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 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; and that said resolution 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)

EXHIBIT A Joint Powers Agreement

JOINT POWERS AGREEMENT BETWEEN THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AND THE NEW MEXICO STATE INVESTMENT COUNCIL AND THE OFFICE OF THE NEW MEXICO STATE TREASURER

THIS AGREEMENT is made and entered into by and among the New Mexico Mortgage Finance Authority, as Trustee of the New Mexico Housing Trust Fund ("MFA"), the New Mexico State Investment Council ("NMSIC") and the Office of the New Mexico State Treasurer ("STO"), collectively the parties ("Parties"), pursuant to Section 11-1-1 *et seq.* NMSA 1978 and subject to the approval of the Secretary of Finance and Administration of the State of New Mexico.

WHEREAS, pursuant to Section 58-18C-4 NMSA 1978, the New Mexico Housing Trust Fund is created in the MFA; and

WHEREAS, Section 58-18C-4 NMSA 1978 establishes the MFA as the trustee for the New Mexico Housing Trust Fund, and the NMSIC is designated as the investment agent for that fund; and

WHEREAS, pursuant to Section 6-10-10.1 NMSA 1978 the Local Government Investment Pool (LGIP) is established in the state treasury, consisting of "all deposits from participating governments... that are placed in the custody of the state treasurer for investment purposes"; and

WHEREAS, the LGIP is divided into subfunds for short-term and medium-term investment purposes; and

WHEREAS, pursuant to Section 6-10-10.1(K) NMSA 1978, a quasi-governmental body created pursuant to New Mexico statute may become a participating government in the LGIP if the governing authority of the quasi-governmental body has adopted a resolution authorizing the quasi-governmental body to remit money to the state treasurer for investment in the LGIP; and

WHEREAS, pursuant to Section 58-18-4 NMSA 1978, the MFA is established as "a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality. . . for the performance of essential public functions"; and

WHEREAS, on August 21, 2024, the MFA approved a resolution, attached hereto as Exhibit A, to authorize investment of <u>up to</u> fifty million and no/100 dollars (\$50,000,000.00) in New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund, contingent upon review and approval by the NMSIC; and

WHEREAS, at a public meeting held on August 27, 2024, the NMSIC reviewed and approved the investment proposed in the MFA's August 21, 2024 resolution; and

WHEREAS, the NMSIC adopted a resolution, attached hereto as Exhibit B, directing the State Investment Officer (SIO) to take appropriate actions and execute necessary documents to facilitate the investment; and

WHEREAS, the MFA, the NMSIC and the STO will cooperatively and jointly exercise common powers with respect to oversight of the investment of the New Mexico Housing Trust Fund as set forth in this Agreement.

NOW, THEREFORE, the Parties agree as follows:

I. <u>Purpose</u>.

A. Section 58-18C-4 NMSA 1978 establishes the MFA as the trustee for the New Mexico Housing Trust Fund and the NMSIC as the investment agent for that fund. The MFA, in consultation with the NMSIC, will remit <u>up to</u> fifty million and no/100 dollars (\$50,000,000.00) in New Mexico Housing Trust Fund funds to the STO for investment in the LGIP Short-Term Fund. The STO hereby agrees to invest that money in the LGIP Short-Term Fund as provided in this Agreement and in accordance with Section 6-10-10.1 NMSA 1978. All right, title and interest in the money invested by the MFA pursuant to this Agreement (including, but not limited to all amounts from the New Mexico Housing Trust Fund remitted to the STO and all earnings attributable to the New Mexico Housing Trust Fund) will at all times be vested in the MFA for the purposes of carrying out the New Mexico Housing Trust Fund Act (Sections 58-18C-1 through 58-18C-9 NMSA 1978).

B. The Parties acknowledge that the LGIP Short-Term Fund is operated pursuant to Section 6-10-10.1 NMSA 1978, as well as the LGIP Policy approved by the New Mexico State Board of Finance and the State Treasurer, attached hereto as Exhibit C. The STO warrants that it is a fiduciary over the funds invested in the LGIP Short-Term Fund.

- II. <u>Responsibilities and Acknowledgements.</u>
 - A. MFA Responsibilities and Acknowledgements.

1. The MFA acknowledges that investment of the portion of the New Mexico Housing Trust Fund in the LGIP as provided pursuant to this Agreement is in accordance with Subsection B of Section 6-10-10.1 NMSA 1978 and Section 6-10-36 NMSA 1978.

2. The MFA will deposit an amount of <u>up to fifty million and no/100dollars</u> (\$50,000,000.00) from the New Mexico Housing Trust Fund to the STO for investment in the LGIP Short-Term Fund.

3. The MFA shall provide to the State Investment Office (SIO) and the STO

its duly approved Authorized Signatures Resolution. If at any time the Authorized Signatures Resolution is modified, the MFA shall provide to the SIO and the STO an updated resolution within five (5) business days.

4. After the aforementioned portion of the New Mexico Housing Trust Fund is invested in the LGIP Short-Term Fund, the MFA will pay to the STO, on a monthly basis, reasonable audit, administrative and investment expenses as provided in Section 6-10-10.1 NMSA 1978 and acknowledges those expenses will be deducted directly from the net investment income for the investment and administrative services, as provided in Subparagraph (C)(5) of this Paragraph.

5. Liquidation of Funds in the LGIP Short-Term Fund and Notice:

a. *Written Notice*. The MFA shall provide written notice to the STO and to the NMSIC prior to liquidating funds invested in the LGIP Short-Term Fund.

b. *Deadlines*. The MFA shall provide written notice at least <u>twenty-</u> <u>four hours</u> two

weeks prior to withdrawals of amounts less than two hundred million dollars (\$200,000,000) and written notice at least one (1) month prior to withdrawals of any greater amount funds invested in the LGIP Short-Term Fund.

c. *Right to Liquidate*. The MFA may, without cause, liquidate its funds in the LGIP Short-Term Fund within the deadlines set forth herein. All liquidations shall be subject to STO's best efforts and market conditions.

B. <u>NMSIC/SIO Responsibilities and Acknowledgements.</u>

1. The NMSIC has, by resolution dated August 27, 2024, acknowledged that it has reviewed the proposed investment in the LGIP Short-Term Fund and that such investment is consistent with: (1) the purposes, terms, distribution requirements and other circumstances of the New Mexico Housing Trust Fund; and (2) risk and return objectives reasonably suited to the New Mexico Housing Trust Fund.

2. The SIO will monitor the investment performance of the New Mexico Housing Trust Fund and consult with and make recommendations to the MFA as necessary.

C. STO Responsibilities and Acknowledgments.

1. The STO shall establish a separate account for the New Mexico Housing Trust Fund within the LGIP Short-Term Fund and facilitate the MFA's entrance into and participation in the STO's LGIP Short-Term Fund. The STO shall separately track each deposit made by the MFA and shall make information regarding each such deposit available to the MFA and to the public upon written request.

2. The STO will invest the LGIP Short-Term Fund as provided in Section 6-10-10.1 NMSA. At the end of each month, all net investment income or losses from investment of the LGIP shall be distributed by the STO to the MFA's account, established for the New Mexico Housing Trust Fund, directly proportionate to the respective amounts deposited by the MFA for the Housing Trust Fund and the length of time the amount in its account is invested.

3. The STO shall automatically reinvest earnings attributable to the New Mexico Housing Trust Fund within the LGIP Short-Term Fund.

4. The STO shall provide a monthly statement to the MFA and the NMSIC by the third (3rd) business day of each month showing the balance of MFA funds attributable to the New Mexico Housing Trust Fund invested in the LGIP Short-Term Fund as well as the interest accrued in the previous month and the monthly fee detail.

5. The STO will, on a monthly basis, charge to the MFA reasonable audit, administrative and investment expenses and shall deduct those expenses directly from the net investment income from the net investment income for the investment and administrative services, which is currently established at an aggregate fee of five (5) basis points. No excess or additional fees will be charged in accordance with Section 6-10-10.1(G) NMSA 1978. The STO will provide the MFA and the NMSIC written notice at least one (1) month prior to any changes to the fees charged.

6. If, at any time, in the duration of this Agreement, STO provides other participants in the LGIP Short-Term Fund terms or provisions that are more favorable than those in this Agreement, STO shall, within five (5) business days, notify the MFA and NMSIC, and at the request of the MFA, promptly enter into amendments to this Agreement to provide the MFA the same or more favorable terms.

III. <u>Strict Accountability</u>. The STO shall be held to a strict accountability, as required in Section 11-1-4(D) NMSA 1978, for all receipts from and disbursements made to the MFA under the terms of this Agreement.

IV. <u>Term.</u> This Agreement shall be effective upon approval by the Secretary of Finance and Administration and shall continue in force until terminated by the Parties. A party may terminate the agreement upon thirty (30) days' written notice to the other Parties. If the agreement is terminated, withdrawal of the MFA's assets is subject to the requirements contained in Paragraph (II)(A)(5).

V. <u>Miscellaneous.</u>

A. <u>Ownership</u>. The STO acquires no ownership interest in the MFA's proportionate share of the LGIP that is attributable to the New Mexico Housing Trust Fund.

B. <u>Assurances.</u> Consistent with the terms and conditions hereof, each Party will execute and deliver such certificates and other documents and take such other action as any other Party may reasonably require in order to carry out the Agreement and the transactions contemplated hereby.

C. <u>Severability</u>. If any provision of the Agreement becomes or is found to be illegal or unenforceable for any reason, such provision may be modified to the extent necessary to make this Agreement legal and enforceable. If such provision cannot be so modified, it shall be severed from this Agreement and the remainder of the Agreement shall remain in full force and effect.

D. <u>Amendment.</u> The Agreement or any of the rights, duties, or obligations of the Parties hereunder, shall not be assigned by either Party without the express written consent and approval of the other Party.

E. <u>Assignment</u>. The Agreement or any of the rights, duties, or obligations of the Parties hereunder, shall not be assigned by either Party without the express written consent and approval of the other Party.

F. <u>Successors and Assigns.</u> This Agreement binds and inures to the benefit of the Parties and, subject to the restrictions on transfer herein set forth, their respective successors, assigns and personal representatives.

G. <u>Complete Agreement</u>. The Agreement and the exhibits attached hereto contain the entire understanding of the Parties with respect to the transactions contemplated hereby and supersede all prior arrangements or understandings with respect thereto. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein.

H. <u>Headings.</u> Section or other headings contained in this Agreement are for reference purposes only and are not intended to affect in any way the meaning or interpretation of this Agreement.

I. <u>Additional Acknowledgments.</u> For the avoidance of doubt, the portion of the Housing Trust Fund invested in the LGIP pursuant to this Agreement will be invested separate and apart from the funds invested in the NMSIC's pooled investment funds pursuant to the separate Joint Powers Agreement dated November 1, 2005 and entered into between the NMSIC and the MFA and approved by the Department of Finance and Administration.

J. Governing Law. This Agreement is governed by and is to be construed in

accordance with the laws of the State of New Mexico.

I. <u>Counterparts.</u> The Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement, each of which shall be an original for all purposes.

J. <u>Waiver</u>. Nothing in this Agreement constitutes a waiver of claims, rights or remedies available to either party prior to the Effective Date and no party shall be deemed to have waived any claim, or any other power, right, privilege or remedy under this Agreement or otherwise, unless the waiver is expressly set forth in a written instrument duly executed and delivered on behalf of such party.

K. <u>Appropriations.</u> Performance under this Agreement is contingent upon sufficient authority and appropriations granted by the New Mexico State Legislature.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of signature by the DFA below.

| NEW MEXICO MORTGAGE FINANCE AUTHORITY, |
|---|
| AS TRUSTEE OF THE NEW MEXICO HOUSING TRUST FUND |

| By: | | Date: |
|---------------------|--|-------|
| | Isidoro Hernandez | |
| | Executive Director/CEO | |
| Appro | oved as to MFA legal sufficiency: | |
| By: | | Date: |
| 5 | Eleanor Werenko | |
| | Outside General Counsel | |
| Appro | oved as to MFA budget sufficiency: | |
| By: | | Date: |
| - | Arundhati Bose | |
| | Chief Financial Officer | |
| | | |
| | | |
| | | |
| Offi | CE OF THE NEW MEXICO STATE TREASURER | |
| | CE OF THE NEW MEXICO STATE TREASURER | Date: |
| | CE OF THE NEW MEXICO STATE TREASURER | Date: |
| | | Date: |
| | Laura <u>M.</u> Montoya | Date: |
| By: | Laura <u>M.</u> Montoya | Date: |
| By: | Laura <u>M.</u> Montoya State Treasurer | Date: |
| By: Appro | Laura <u>M.</u> Montoya State Treasurer | Date: |
| By: | Laura M. Montoya State Treasurer | |
| By: Appro | Laura M. Montoya State Treasurer oved as to STO legal sufficiency: | |
| By: Appro By: | Laura M. Montoya State Treasurer | |

Chief Financial Officer

NEW MEXICO STATE INVESTMENT COUNCIL

| By: | | Date: |
|------|--|------------|
| - | Jon Clark | |
| | State Investment Officer | |
| | (Upon Delegated Authority Pursuant to Resolu | tion of |
| | the New Mexico State Investment Council) | |
| | | |
| Appr | roved as to NMSIC legal sufficiency: | |
| By: | | Date: |
| 5 | Amy Chavez-Romero | |
| | Deputy General Counsel | |
| Appr | roved as to NMSIC budget sufficiency: | |
| By: | | Date: |
| J | Brent Shipp | |
| | Chief Financial Officer | |
| | | |
| | | |
| NEW | MEXICO DEPARTMENT OF FINANCE AND ADMIN | IISTRATION |
| By: | | Date: |
| | NAME | |
| | TITLE | |
| | | |
| Appr | oved as to DFA legal sufficiency: | |
| By: | | Date: |
| 5- | NAME | |
| | TITLE | |

JOINT POWERS AGREEMENT BETWEEN THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AND THE NEW MEXICO STATE INVESTMENT COUNCIL AND THE OFFICE OF THE NEW MEXICO STATE TREASURER

THIS AGREEMENT is made and entered into by and among the New Mexico Mortgage Finance Authority, as Trustee of the New Mexico Housing Trust Fund ("MFA"), the New Mexico State Investment Council ("NMSIC") and the Office of the New Mexico State Treasurer ("STO"), collectively the parties ("Parties"), pursuant to Section 11-1-1 *et seq.* NMSA 1978 and subject to the approval of the Secretary of Finance and Administration of the State of New Mexico.

WHEREAS, pursuant to Section 58-18C-4 NMSA 1978, the New Mexico Housing Trust Fund is created in the MFA; and

WHEREAS, Section 58-18C-4 NMSA 1978 establishes the MFA as the trustee for the New Mexico Housing Trust Fund, and the NMSIC is designated as the investment agent for that fund; and

WHEREAS, pursuant to Section 6-10-10.1 NMSA 1978 the Local Government Investment Pool (LGIP) is established in the state treasury, consisting of "all deposits from participating governments. . . that are placed in the custody of the state treasurer for investment purposes"; and

WHEREAS, the LGIP is divided into subfunds for short-term and medium-term investment purposes; and

WHEREAS, pursuant to Section 6-10-10.1(K) NMSA 1978, a quasi-governmental body created pursuant to New Mexico statute may become a participating government in the LGIP if the governing authority of the quasi-governmental body has adopted a resolution authorizing the quasi-governmental body to remit money to the state treasurer for investment in the LGIP; and

WHEREAS, pursuant to Section 58-18-4 NMSA 1978, the MFA is established as "a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality. . . for the performance of essential public functions"; and

WHEREAS, on August 21, 2024, the MFA approved a resolution, attached hereto as Exhibit A, to authorize investment of up to fifty million and no/100 dollars (\$50,000,000.00) in New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund and to additionally allow reinvestment of the earnings attributable to the New Mexico Housing Trust Fund in the LGIP Short-Term Fund, contingent upon review and approval by the NMSIC; and

WHEREAS, at a public meeting held on August 27, 2024, the NMSIC reviewed and approved the investment proposed in the MFA's August 21, 2024 resolution; and

WHEREAS, the NMSIC adopted a resolution, attached hereto as Exhibit B, directing the State Investment Officer (SIO) to take appropriate actions and execute necessary documents to facilitate the investment; and

WHEREAS, the MFA, the NMSIC and the STO will cooperatively and jointly exercise common powers with respect to oversight of the investment of the New Mexico Housing Trust Fund as set forth in this Agreement.

NOW, THEREFORE, the Parties agree as follows:

I. <u>Purpose</u>.

A. Section 58-18C-4 NMSA 1978 establishes the MFA as the trustee for the New Mexico Housing Trust Fund and the NMSIC as the investment agent for that fund. The MFA, in consultation with the NMSIC, will remit up to fifty million and no/100 dollars (\$50,000,000.00) in New Mexico Housing Trust Fund funds to the STO for investment in the LGIP Short-Term Fund. The STO hereby agrees to invest that money in the LGIP Short-Term Fund as provided in this Agreement and in accordance with Section 6-10-10.1 NMSA 1978. All right, title and interest in the money invested by the MFA pursuant to this Agreement (including, but not limited to all amounts from the New Mexico Housing Trust Fund remitted to the STO and all earnings attributable to the New Mexico Housing Trust Fund) will at all times be vested in the MFA for the purposes of carrying out the New Mexico Housing Trust Fund Act (Sections 58-18C-1 through 58-18C-9 NMSA 1978).

B. The Parties acknowledge that the LGIP Short-Term Fund is operated pursuant to Section 6-10-10.1 NMSA 1978, as well as the LGIP Policy approved by the New Mexico State Board of Finance and the State Treasurer, attached hereto as Exhibit C. The STO warrants that it is a fiduciary over the funds invested in the LGIP Short-Term Fund.

- II. <u>Responsibilities and Acknowledgements.</u>
 - A. MFA Responsibilities and Acknowledgements.

1. The MFA acknowledges that investment of the portion of the New Mexico Housing Trust Fund in the LGIP as provided pursuant to this Agreement is in accordance with Subsection B of Section 6-10-10.1 NMSA 1978 and Section 6-10-36 NMSA 1978.

2. The MFA will deposit an amount of up to fifty million and no/100 dollars (\$50,000,000.00) from the New Mexico Housing Trust Fund to the STO for investment in the LGIP Short-Term Fund.

3. The MFA shall provide to the State Investment Office (SIO) and the STO

its duly approved Authorized Signatures Resolution. If at any time the Authorized Signatures Resolution is modified, the MFA shall provide to the SIO and the STO an updated resolution within five (5) business days.

4. After the aforementioned portion of the New Mexico Housing Trust Fund is invested in the LGIP Short-Term Fund, the MFA will pay to the STO, on a monthly basis, reasonable audit, administrative and investment expenses as provided in Section 6-10-10.1 NMSA 1978 and acknowledges those expenses will be deducted directly from the net investment income for the investment and administrative services, as provided in Subparagraph (C)(5) of this Paragraph.

5. Liquidation of Funds in the LGIP Short-Term Fund and Notice:

a. *Written Notice*. The MFA shall provide written notice to the STO and to the NMSIC prior to liquidating funds invested in the LGIP Short-Term Fund.

b. *Deadlines*. The MFA shall provide written notice at least twenty-four (24) hours prior to withdrawals of funds invested in the LGIP Short-Term Fund.

c. *Right to Liquidate*. The MFA may, without cause, liquidate its funds in the LGIP Short-Term Fund within the deadlines set forth herein. All liquidations shall be subject to STO's best efforts and market conditions.

B. <u>NMSIC/SIO Responsibilities and Acknowledgements.</u>

1. The NMSIC has, by resolution dated August 27, 2024, acknowledged that it has reviewed the proposed investment in the LGIP Short-Term Fund and that such investment is consistent with: (1) the purposes, terms, distribution requirements and other circumstances of the New Mexico Housing Trust Fund; and (2) risk and return objectives reasonably suited to the New Mexico Housing Trust Fund.

2. The SIO will monitor the investment performance of the New Mexico Housing Trust Fund and consult with and make recommendations to the MFA as necessary.

C. STO Responsibilities and Acknowledgments.

1. The STO shall establish a separate account for the New Mexico Housing Trust Fund within the LGIP Short-Term Fund and facilitate the MFA's entrance into and participation in the STO's LGIP Short-Term Fund. The STO shall separately track each deposit made by the MFA and shall make information regarding each such deposit available to the MFA and to the public upon written request.

2. The STO will invest the LGIP Short-Term Fund as provided in Section 6-

10-10.1 NMSA. At the end of each month, all net investment income or losses from investment of the LGIP shall be distributed by the STO to the MFA's account, established for the New Mexico Housing Trust Fund, directly proportionate to the respective amounts deposited by the MFA for the Housing Trust Fund and the length of time the amount in its account is invested.

3. The STO shall automatically reinvest earnings attributable to the New Mexico Housing Trust Fund within the LGIP Short-Term Fund.

4. The STO shall provide a monthly statement to the MFA and the NMSIC by the third (3rd) business day of each month showing the balance of MFA funds attributable to the New Mexico Housing Trust Fund invested in the LGIP Short-Term Fund as well as the interest accrued in the previous month and the monthly fee detail.

5. The STO will, on a monthly basis, charge to the MFA reasonable audit, administrative and investment expenses and shall deduct those expenses directly from the net investment income for the investment and administrative services, which are currently established at an aggregate fee of five (5) basis points. No excess or additional fees will be charged in accordance with Section 6-10-10.1(G) NMSA 1978. The STO will provide the MFA and the NMSIC written notice at least one (1) month prior to any changes to the fees charged.

6. If, at any time, in the duration of this Agreement, STO provides other participants in the LGIP Short-Term Fund terms or provisions that are more favorable than those in this Agreement, STO shall, within five (5) business days, notify the MFA and NMSIC, and at the request of the MFA, promptly enter into amendments to this Agreement to provide the MFA the same or more favorable terms.

III. <u>Strict Accountability.</u> The STO shall be held to a strict accountability, as required in Section 11-1-4(D) NMSA 1978, for all receipts from and disbursements made to the MFA under the terms of this Agreement.

IV. <u>Term.</u> This Agreement shall be effective upon approval by the Secretary of Finance and Administration and shall continue in force until terminated by the Parties. A party may terminate the agreement upon thirty (30) days' written notice to the other Parties. If the agreement is terminated, withdrawal of the MFA's assets is subject to the requirements contained in Paragraph (II)(A)(5).

V. <u>Miscellaneous.</u>

A. <u>Ownership</u>. The STO acquires no ownership interest in the MFA's proportionate share of the LGIP that is attributable to the New Mexico Housing Trust Fund.

B. Assurances. Consistent with the terms and conditions hereof, each Party

will execute and deliver such certificates and other documents and take such other action as any other Party may reasonably require in order to carry out the Agreement and the transactions contemplated hereby.

C. <u>Severability</u>. If any provision of the Agreement becomes or is found to be illegal or unenforceable for any reason, such provision may be modified to the extent necessary to make this Agreement legal and enforceable. If such provision cannot be so modified, it shall be severed from this Agreement and the remainder of the Agreement shall remain in full force and effect.

D. <u>Amendment.</u> The Agreement or any of the rights, duties, or obligations of the Parties hereunder, shall not be assigned by either Party without the express written consent and approval of the other Party.

E. <u>Assignment</u>. The Agreement or any of the rights, duties, or obligations of the Parties hereunder, shall not be assigned by either Party without the express written consent and approval of the other Party.

F. <u>Successors and Assigns</u>. This Agreement binds and inures to the benefit of the Parties and, subject to the restrictions on transfer herein set forth, their respective successors, assigns and personal representatives.

G. <u>Complete Agreement</u>. The Agreement and the exhibits attached hereto contain the entire understanding of the Parties with respect to the transactions contemplated hereby and supersede all prior arrangements or understandings with respect thereto. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein.

H. <u>Headings.</u> Section or other headings contained in this Agreement are for reference purposes only and are not intended to affect in any way the meaning or interpretation of this Agreement.

I. <u>Additional Acknowledgments.</u> For the avoidance of doubt, the portion of the Housing Trust Fund invested in the LGIP pursuant to this Agreement will be invested separate and apart from the funds invested in the NMSIC's pooled investment funds pursuant to the separate Joint Powers Agreement dated November 1, 2005 and entered into between the NMSIC and the MFA and approved by the Department of Finance and Administration.

J. <u>Governing Law.</u> This Agreement is governed by and is to be construed in accordance with the laws of the State of New Mexico.

I. Counterparts. The Agreement may be executed in one or more

counterparts, all of which together shall constitute a single agreement, each of which shall be an original for all purposes.

J. <u>Waiver</u>. Nothing in this Agreement constitutes a waiver of claims, rights or remedies available to either party prior to the Effective Date and no party shall be deemed to have waived any claim, or any other power, right, privilege or remedy under this Agreement or otherwise, unless the waiver is expressly set forth in a written instrument duly executed and delivered on behalf of such party.

K. <u>Appropriations.</u> Performance under this Agreement is contingent upon sufficient authority and appropriations granted by the New Mexico State Legislature.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of signature by the DFA below.

NEW MEXICO MORTGAGE FINANCE AUTHORITY, AS TRUSTEE OF THE NEW MEXICO HOUSING TRUST FUND

| By: | | Date: |
|------|--------------------------------------|-------|
| J | Isidoro Hernandez | |
| | Executive Director/CEO | |
| Appr | oved as to MFA legal sufficiency: | |
| By: | | Date: |
| | Eleanor Werenko | |
| | Outside General Counsel | |
| Appr | oved as to MFA budget sufficiency: | |
| By: | | Date: |
| - | Arundhati Bose | |
| | Chief Financial Officer | |
| | | |
| Offi | CE OF THE NEW MEXICO STATE TREASURER | |
| By: | | Date: |
| | Laura M. Montoya | |
| | State Treasurer | |
| Appr | oved as to STO legal sufficiency: | |
| By: | | Date: |
| · | | |
| | Legal Counsel | |
| Appr | oved as to STO budget sufficiency: | |
| By: | | Date: |
| - | | |

| By: | | Date: | |
|------------|---|---------------|--|
| | Jon Clark | | |
| | State Investment Officer | | |
| | (Upon Delegated Authority Pursuant to I | lesolution of | |
| | the New Mexico State Investment Counc | il) | |
| Appr | roved as to NMSIC legal sufficiency: | | |
| By: | | Date: | |
| | Amy Chavez-Romero | | |
| | Deputy General Counsel | | |
| Appr | roved as to NMSIC budget sufficiency: | | |
| By: | | Date: | |
| | Brent Shipp | | |
| | Chief Financial Officer | | |
| | | DMINISTRATION | |
| New | MEXICO DEPARTMENT OF FINANCE AND A | | |
| | / NIEXICO DEPARTMENT OF FINANCE AND A | Date: | |
| New By: | NIEXICO DEPARTMENT OF FINANCE AND A | | |
| | | | |
| By: | NAME | | |

NAME TITLE

EXHIBIT A

New Mexico Mortgage Finance Authority Resolution

NEW MEXICO MORTGAGE FINANCE AUTHORITY

A RESOLUTION

AUTHORIZING THE INVESTMENT OF UP TO FIFTY MILLION DOLLARS OF NEW MEXICO HOUSING TRUST FUND FUNDS IN THE LOCAL GOVERNMENT INVESTMENT POOL SHORT-TERM FUND AND TO ADDITIONALLY ALLOW REINVESTMENT OF THE EARNINGS ATTRIBUTABLE TO THE NEW MEXICO HOUSING TRUST FUND IN THE LGIP SHORT-TERM FUND, CONTINGENT UPON REVIEW BY THE NEW MEXICO STATE INVESTMENT COUNCIL

August 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, Sections 58-18-1 through 58-18-27 NMSA 1978 (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" (the "Authority"), said Authority 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, the purposes of the Authority are to provide decent, safe and sanitary residential housing to persons of low or moderate income;

WHEREAS, the Legislature of the State of New Mexico (the "State"), at its 2005 regular session, adopted Chapter 105, Laws of New Mexico, 2005, known and cited as the New Mexico Housing Trust Fund Act, Sections 58-18C-1 through 58-18C-9 NMSA 1978 (the "NMHTF Act");

WHEREAS, the purpose of the NMHTF Act is to provide flexible funding for housing initiatives in order to produce significant additional housing investment in the state;

WHEREAS, pursuant to Section 58-18C-4 NMSA 1978 of the NMHTF Act, "the 'New Mexico housing trust fund' is created in the [A]uthority," the Authority "shall be the trustee for the fund," and "money in the fund is appropriated to the [A]uthority for the purposes of carrying out the provisions of the [NMHTF Act]";

WHEREAS, pursuant to Section 58-18-5 NMSA 1978 of the Act the Authority is authorized to "act as trustee and statewide administrator of the New Mexico housing trust fund pursuant to and to receive funds under the New Mexico Housing Trust Fund Act";

WHEREAS, the New Mexico State Legislature, during its 2024 Legislative Session, pursuant to Section 10, Subsection 4 of the General Appropriations Act of 2024, allocated fifty million and no/100 dollars (\$50,000,000.00) to the Authority as Trustee of the New Mexico Housing Trust Fund to carry out the provisions of the Affordable Housing Act to acquire, build

and rehabilitate affordable housing for people statewide, including those with behavioral health needs and victims of domestic violence;

WHEREAS, the Authority approved and certified the uses of the one-time allocation to the Fund on June 20, 2024, and intends that the Authority will expend the allocation over a period of approximately three years, identifying a need for sufficiently low-risk, short to medium term, high-liquidity investments;

WHEREAS, pursuant to Section 58-18C-4(A) NMSA 1978 the New Mexico State Investment Council ("NMSIC") is the investment agent for the New Mexico Housing Trust Fund;

WHEREAS, the focus of the NMSIC is on long-term investments;

WHEREAS, pursuant to Section 6-10-10.1 NMSA 1978 the Local Government Investment Pool ("LGIP") is established in the state treasury, consisting of "all deposits from participating governments. . . that are placed in the custody of the state treasurer for investment purposes";

WHEREAS, the LGIP is divided into subfunds for short-term and medium-term investment purposes which meet the objectives of the Authority for short to medium term, high-liquidity investments;

WHEREAS, pursuant to Section 6-10-10.1(K) NMSA 1978, a quasi-governmental body created pursuant to New Mexico statute may become a participating government in the LGIP if the governing authority of the quasi-governmental body has adopted a resolution authorizing the quasi-governmental body to remit money to the state treasurer for investment in the LGIP;

WHEREAS, the Authority wishes to authorize investment of up to fifty million and no/100 dollars in New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund and to additionally allow reinvestment of the earnings attributable the New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund, contingent upon review and approval by the NMSIC;

WHEREAS, in order to effectuate the authority granted hereunder, the Authority, NMSIC and the Office of the New Mexico State Treasurer ("STO") shall enter into a Joint Powers Agreement subject to the approval of the Secretary of Finance and Administration of the State of New Mexico, the form of which is attached hereto as Exhibit A (the "Joint Powers Agreement");

WHEREAS, to further effectuate the authority granted hereunder, the Authority, the NMSIC and the STO will cooperatively and jointly exercise common powers with respect to oversight of the investment of the New Mexico Housing Trust Fund as set forth in the Joint Powers Agreement.

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

Section 1. The Authority is authorized to remit money to the STO for investment in the LGIP Short-Term Fund in consultation with NMSIC.

Section 2. The Authority is authorized to enter into the Joint Powers Agreement attached hereto as Exhibit A ("Joint Powers Agreement") among the Authority, the NMSIC and the STO

subject to the approval of the Secretary of Finance and Administration of the State of New Mexico.

Section 2. The Authority is authorized to withdraw New Mexico Housing Trust Fund funds from the LGIP Short-Term Fund as needed to finance New Mexico Housing Trust Fund programs pursuant to the Liquidation of Funds provisions in the Joint Powers Agreement.

Section 3. All right, title and interest in the money invested by the MFA pursuant to the Joint Powers Agreement (including, but not limited to all amounts from the New Mexico Housing Trust Fund remitted to the STO and all earnings attributable to the New Mexico Housing Trust Fund) will at all times be vested in the MFA for the purposes of carrying out the New Mexico Housing Trust Fund Act (Sections 58-18C-1 through 58-18C-9 NMSA 1978).

Section 4. The Authority shall provide to the State Investment Office ("SIO") and the STO its duly approved Authorized Signatures Resolution, and any updates thereof within five (5) business days after adopted by the Authority.

Section 5. After the New Mexico Housing Trust Fund is invested in the LGIP Short-Term Fund, the Authority will pay to the STO, on a monthly basis, reasonable audit, administrative and investment expenses as provided in Section 6-10-10.1 NMSA 1978 and acknowledges those expenses will be deducted directly from the net investment income for the investment and administrative services, as provided in the Joint Powers Agreement.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

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

Angel Reyes, Chair

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 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; and that said resolution 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)

EXHIBIT B

New Mexico State Investment Council Resolution

NEW MEXICO STATE INVESTMENT COUNCIL

A RESOLUTION

APPROVING AND AUTHORIZING THE STATE INVESTMENT OFFICER TO EXECUTE A JOINT POWERS AGREEMENT PERTAINING TO INVESTMENT OF THE NEW MEXICO HOUSING TRUST FUND IN THE LOCAL GOVERNMENT INVESTMENT POOL

August 27, 2024

WHEREAS, pursuant to Section 58-18C-4 NMSA 1978, the New Mexico Housing Trust fund is created in the Mortgage Finance Authority ("MFA"); and

WHEREAS, Section 58-18C-4 NMSA 1978 establishes the MFA as the trustee for the New Mexico Housing Trust Fund, and the New Mexico State Investment Council ("NMSIC") is designated as the investment agent for that fund; and

WHEREAS, pursuant to Section 6-10-10.1 NMSA 1978 the Local Government Investment Pool ("LGIP") is established in the state treasury, consisting of "all deposits from participating governments. . . that are placed in the custody of the state treasurer for investment purposes"; and

WHEREAS, the LGIP is divided into subfunds for short-term and medium-term investment purposes which the MFA has found meets is objectives for short- to medium-term high-liquidity investments; and

WHEREAS, the Legislature of the State of New Mexico (the "State"), during its 2024 Legislative Session, pursuant to Section 10, Subsection 4 of the General Appropriations Act of 2024, allocated fifty million dollars (\$50,000,000) to the MFA as trustee of the New Mexico Housing Trust Fund to carry out the provisions of the Affordable Housing Act to acquire, build and rehabilitate affordable housing for people statewide, including those with behavioral health needs and victims of domestic violence; and

WHEREAS, pursuant to Section 6-10-10.1 (K) NMSA 1978, a quasi-governmental body created pursuant to New Mexico statute may become a participating government in the LGIP if the governing authority of the quasi-governmental body has adopted a resolution authorizing the quasi-governmental body to remit money to the state treasurer for investment in the LGIP; and

WHEREAS, the MFA has expressed its desire to authorize investment of up to fifty million dollars (\$50,000,000) in New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund and to additionally allow reinvestment of the earnings attributable to the New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund, contingent upon review and approval by the NMSIC; and

WHEREAS, at a public meeting held on August 21, 2024, the MFA adopted a resolution, attached hereto, to authorize remittance of up to fifty million dollars (\$50,000,000) in the New

Mexico Housing Trust Fund to the Office of the New Mexico State Treasurer ("STO") for investment in the LGIP Short-Term Fund and to additionally allow reinvestment of the earnings attributable to the New Mexico Housing Trust Fund funds in the LGIP Short-Term Fund, in consultation with the New Mexico State Investment Council (NMSIC); and

WHEREAS, the NMSIC has reviewed the resolution and the proposed investment, and in consultation with its staff, finds that such investment is consistent with: (1) the purposes, terms, distribution requirements and other circumstances of the New Mexico Housing Trust Fund; and (2) risk and return objectives reasonably suited to the New Mexico Housing Trust Fund; and

WHEREAS, in the aforementioned resolution, the MFA authorized its entry into the Joint Powers Agreement attached thereto as Exhibit A ("Joint Powers Agreement") among the MFA, the NMSIC and the STO, subject to the approval of the Secretary of Finance and Administration of the State of New Mexico; and

WHEREAS, the MFA, the NMSIC and the STO will cooperatively and jointly exercise common powers with respect to the oversight of the investment of the New Mexico Housing Trust Fund as set forth in the Joint Powers Agreement; and

WHEREAS, the NMSIC, by adoption of this resolution, approves its entry into the Joint Powers Agreement, subject to the approval of the Secretary of Finance and Administration of the State of New Mexico;

NOW, THEREFORE, BE IT RESOLVED BY THE NEW MEXICO STATE INVESTMENT COUNCIL, AS FOLLOWS:

Section 1. The NMSIC hereby directs the State Investment Officer (SIO) to take appropriate actions and execute the Joint Powers Agreement and any other documents necessary to facilitate the investment approved by the MFA in its August 21, 2024 resolution.

Section 2. The NMSIC hereby directs the SIO to monitor the investment performance of the New Mexico Housing Trust Fund and to consult with and make recommendations to the MFA as necessary.

ADOPTED: Aye: Nay: Abstain: Absent:

PASSED AND APPROVED BY THE NEW MEXICO STATE INVESTMENT COUNCIL THIS 27th DAY OF AUGUST, 2024.

EXHIBIT C

Local Government Investment Pool Policy

STATE OF NEW MEXICO OFFICE OF THE STATE TREASURER



LOCAL GOVERNMENT INVESTMENT POOL INVESTMENT POLICY DECEMBER 2023



LAURA M. MONTOYA NEW MEXICO STATE TREASURER

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I. Statement of Purpose/Statutory Authority

The New Mexico State Treasurer is a fiduciary of public funds. The purpose of this Investment Policy is to establish investment guidelines for the New Mexico State Treasurer, who is responsible for the stewardship of the State Treasurer's Office (STO) Investment Program, specifically the Local Government Investment Pool ("LGIP").

STO is established by Article V, Section 1 of the New Mexico Constitution. The duties and responsibilities of the State Treasurer are further defined by Chapters 6 and 8 of the New Mexico Statutory Code.

Specific authority concerning the investment of the LGIP can be found at NMSA 1978, Sections 6-10-10 (1933, as amended through 2021) and 6-10-10.1 (1988, as amended through 2019).

STO will submit this LGIP Investment Policy, on behalf of the State Treasurer, to the State Board of Finance pursuant to its advice and consent role established in Section 6-10-10.

Each transaction and entire portfolio must comply with applicable New Mexico state statutes and this Investment Policy. All investment program activities will be evaluated by the standards of this Policy and ranking of Primary Investment Objectives. Those activities that violate the intent of this Investment Policy will be deemed to be violations of this Investment Policy. This Policy conforms to the customary standards of prudent investment management. In the event that New Mexico state statutes are amended, this Policy will be updated by the Treasurer and presented to the New Mexico State Board of Finance for advice and consent.

| Authorized Investment Officers | Those individuals and third-party entities authorized by the State Treasurer to invest monies on behalf of the State of New Mexico. |
|--------------------------------------|--|
| Custodian | A specialized financial institution, approved by the State Board of Finance, responsible for the safekeeping of assets. The assets may be in electronic or physical form. Some additional responsibilities may include facilitating securities settlements and the collection of income on assets held in safekeeping. |
| Duration | A measure of the price sensitivity of an underlying security, or portfolio, to changes in interest rates. |
| DVP | Delivery Versus Payment, a method of securities settlement where securities are simultaneously exchanged for payment. |
| Fiscal Agent Bank | A bank or savings and loan association designated by the State Board of Finance pursuant to NMSA 1978, §6-10-35, acting on behalf of the State of New Mexico, to perform various financial functions. Fiscal agent bank functions include the collection of all monies received by the State of New Mexico and the management of STO's checking account. Monies held at the Fiscal Agent Bank are managed to a target balance after payment of checks, warrants, Automated Clearing House (ACH) volume and wire transfers processed by the State. |

II. Definitions

| Investment | estment Issuer ratings within any of the following rating agency ranges: | | |
|------------------------------|--|-----------|---------------|
| Grade | RATING AGENCY | LONG-TERM | SHORT-TERM |
| Ratings | Standard & Poor's | A to AAA | A-1 or Better |
| | Fitch | A to AAA | F1 or Better |
| | Moody's | A2 to Aaa | P-1 |
| Maturity Date | The date on which the principal amount of a debt instrument becomes due and is repaid to the investor, along with all remaining interest. | | |
| Put | A put option on a debt security allows the bondholder to force the issuer, remarketing agent or letter of credit provider to repurchase the security at specified dates prior to the stated maturity. | | |
| Supranational Obligations | An international development institution formed by two or more central governments, limited to issuers domiciled within the United States: International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB). | | |
| WAM | Weighted Average Maturity. For a given portfolio, the average maturity of investment holdings weighted by the relative size of each position. | | |

III. Identification of Funds

There is created in the state treasury the "local government investment pool". The fund shall consist of all deposits from participating governments, including revenues dedicated to repaying bonds, that are placed in the custody of the state treasurer for investment purposes pursuant to state statutes. The state treasurer shall maintain one or more separate accounts for each participating government having deposits in the local government investment pool and may divide the fund into two or more subfunds, as the state treasurer deems appropriate, for short-term and medium-term investment purposes, including one or more subfunds for bond proceeds deposited by participating governments 6-10-10.1 (A).

This Investment Policy applies only to the investment of the LGIP short-term and mediumterm funds managed by the State Treasurer. The LGIP is a pool of funds created by the New Mexico State Legislature. Any local governing body, the governing authority of a tribe or any other governmental or quasi-governmental body created or authorized to be created pursuant to New Mexico statutes may participate in the short-term LGIP, as permitted by Section 6-10-1.1 (C) and Section 6-10-10.1). This fund will be called Local Government Investment Pool (LGIP) Short-Term Fund.

The Local Government Investment Pool (LGIP) Medium-Term Fund will be established to provide investment opportunities specifically for the New Mexico State Investment Council (SIC).

IV. Objectives

The LGIP will be invested in a manner that is in conformance with federal, state, and other legal requirements.

The Chief Investment Officer (CIO) and Authorized Investment Officers (AIOs) will observe the following priorities in making investment decisions, in the order described:

- 1. **Safety**—The priority is the preservation of the funds invested in the pool;
- 2. **Liquidity**—The second priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, to satisfy the reasonably anticipated, continuing operational requirements of the LGIP; and
- 3. **Return**—The third priority is maximizing investment return, consistent with the higher priorities accorded to the safety and liquidity of principal.

Pursuant to Section 6-10-10.1(I), the Local Government Investment Pool (LGIP) Short-Term Fund is managed to an "AA" rating or better. The Chief Investment Officer and Authorized Investment Officers will comply with all rating agency criteria to maintain the LGIP's statutory rating requirement.

The Local Government Investment Pool (LGIP) Short-Term Fund shall be invested with the objective of preserving a stable net asset value (NAV) of \$1.00 per share.

The Local Government Investment Pool Medium-Term Fund is not required by Section 6-10-10.1(I) to be managed pursuant to a rating by a Nationally Recognized Statistical Rating Organization.

The LGIP Medium-Term Fund shall be invested with a floating net asset value to reflect its longer maturity structure, subject to mark-to-market fluctuations in value.

V. Philosophy

The primary investment philosophy of STO is to match investment maturities with expected cash outflows. Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit may be sold prior to maturity to minimize loss of principal upon recommendation and approval by the State Treasurer's Credit Committee.
- Liquidity needs of the portfolio require that a security be sold prior to maturity.
- A security rebalance, or swap would improve the quality, yield or target duration in the portfolio.

VI. Standards of Care

A. Delegation by the State Treasurer of Investment Authority

The State Treasurer shall invest the Local Government Investment Pool as provided in Section 6-10-10.

To ensure effective investment management of public funds, the State Treasurer has delegated investment functions to an Investment Division reporting to the Deputy Treasurer. The Investment Division includes a CIO and AIOs. AIOs will report to the CIO and the CIO will report to the Deputy Treasurer. The CIO will maintain a current list of Authorized Investment Officers.

B. Ethics and Conflict of Interest

The Deputy Treasurer, CIO and AIOs shall adhere to standards of conduct as follows:

- The Governmental Conduct Act, NMSA 1978, §§ 10-16-1 to -18 (1967, as amended through 2023);
- The State Treasurer's Employee Code of Conduct;
- The State Treasurer's Campaign Contributions Policy;
- The State Treasurer's Whistleblower Policy;
- The Gift Act, NMSA 1978, §§ 10-16B-1 to -4 (2007, as amended through 2019); and
- The Procurement Code, NMSA 1978, §§ 13-1-28 to -199 (1984, as amended through 2023).

The CIO and AIOs shall file personal disclosure forms as required by the Governmental Conduct Act and the State Treasurer's Code of Conduct.

C. Prudence

The Deputy Treasurer, CIO and AIOs shall perform investment duties in a manner consistent with this LGIP Investment Policy and the standard of a prudent investor¹ considering the purposes, terms, distribution requirements, and other circumstances then prevailing as to the assets entrusted to them.

In the process of investing funds in the LGIP, the CIO and AIOs will exercise reasonable care, skill, diligence, and prudence considering investments not in isolation, but in the context of the portfolio as a whole and as part of an overall investment strategy. That strategy shall incorporate the risk and return objectives articulated in this LGIP Investment Policy.

The CIO and AIOs—acting in accordance with New Mexico Statutes, written procedures, this LGIP Investment Policy, and exercising due diligence—shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VII. Controls

A. Custody

All investment securities purchased by the CIO and AIOs, held as collateral on repurchase agreements and bank deposits or held as collateral on securities lending agreements, shall be held in third-party safekeeping at a financial institution qualified to act in this capacity.

All securities held for the LGIP will be free and clear of any lien and all transactions will be conducted in compliance with Section 6-10-10(0), which requires same-day transfer of funds with the settlement of securities.

The Custodian will provide reports that list all transactions that occurred within the LGIP during the month and all securities held for the LGIP at month-end including the book and market value of holdings.

The representatives of the Custodian responsible for, or in any manner involved with, the safekeeping and custody process of the LGIP shall be bonded in amounts required by the

¹ See Uniform Prudent Investor Act, NMSA 1978, §§ 45-7-601 to -612 (1995).

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State Board of Finance under a custody agreement to protect from losses due to malfeasance and misfeasance.

B. Investment Advisor/Consultant

STO may enter into an agreement with an investment advisor or consultant for investment management or advisory services. The investment advisor or consultant will operate under the direction of the State Treasurer.

The investment advisor or consultant shall:

- be registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- have at least seven years' experience in managing or advising government debt for other governments and fiduciary institutions and has had at least \$1 billion under management for investment disciplines similar to this Policy;
- has liability and fiduciary insurance coverage;
- does not have a proprietary interest in any portfolio manager or fund manager utilized by the State Treasurer; and
- shall submit form ADV Part 2A on an annual basis to the State Treasurer.

C. Approved Broker-Dealers and Counterparties

To ensure the proper separation of duties from the investment functions, the State Cash Manager shall maintain a list of broker-dealers and counterparties approved to provide investment services to the LGIP specifically and the state generally. Eligible broker-dealers will need to meet all of the following conditions:

- The broker-dealer and its representatives must be registered pursuant to the New Mexico Uniform Securities Act, NMSA 1978, §§ 58-13C-101 to -701 (2009)²;
- The broker-dealer must be registered with the Financial Industry Regulatory Authority (FINRA);
- All broker-dealer representatives who have direct contact with securities trading between STO and the firm must have a FINRA Series 7 License, or equivalent certification;
- The broker-dealer representatives must have a minimum of five (5) years of continuous employment history involving fixed income securities, with exceptions permitted for sales and trading assistants acting in temporary administrative capacities; and
- Counterparties must operate under the terms of a securities lending or repurchase agreement.

The Broker-Dealer list will be submitted to the State Treasurer's Investment Council (STIC) for recommendation and will be approved by the State Treasurer. The list will be submitted to the State Board of Finance for its advice and consent.

D. Competitive Transactions

The CIO and AIOs will conduct all securities transactions in a fair, open and transparent competitive process:

² See also 12.11.2 NMAC.

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- All securities transactions shall be conducted on a best execution basis, subject to diversification constraints.
- Best execution means that the CIO and AIOs must seek the best price for a security in the marketplace and must ensure that unnecessary brokerage costs and charges are not incurred when transactions are executed. Transactions executed represent the best qualitative execution, not just the lowest price.
- Every effort to obtain at least three bids or offers on a specific security will be conducted. If unobtainable, documentation of comparable securities accompanied by current market levels will be retained, to provide evidence of price transparency and trade execution at competitive levels.
- Offers or bids for securities may be received from approved broker-dealers or direct issuers by any of the following means:
 - By phone; or
 - By e-mail or other form of electronic communication; or
 - Through an electronic trading platform; or
 - Directly from issuers of eligible investments.
- E. Internal Controls

The CIO will maintain sufficient internal controls to protect against the loss of public funds arising from negligence, theft, or misuse. These controls will require the CIO to:

- Communicate regularly with the Deputy Treasurer regarding investment activities, including any significant changes in market value or credit quality of investment positions;
- Require monthly reconciliation of internal investment accounting and reporting to all external statements provided by the custodian and other financial institutions;
- Monitor compliance with applicable state statutes;
- Require Delivery Versus Payment security settlement except for physical securities;
- Maintain clear delegation of investment authority;
- Ensure the separation of investing authority from cash activities and recordkeeping;
- Ensure that all deposits are sufficiently collateralized pursuant to 2.60.4 NMAC or as required by the rating agency for the LGIP, whichever is greater;
- Require the use of approved objective criteria in selecting broker-dealers and financial institutions authorized to provide investment services to the state;
- Maintain documentation on investment procedures;
- Report violations of this policy to the State Treasurer in a timely manner;
- Require the use of agency-approved objective criteria in awarding investment purchases and sales to authorized financial institutions and broker-dealers;
- Ensure assets are valued by marking holdings to current market prices, thereby representing the full liquidation value of the LGIP;
- Ensure the NAV per share is computed by dividing the total market value of the LGIP's investments, less any liabilities, by the total outstanding shares of the LGIP; and,
- If the market-based NAV for the LGIP Short-Term Fund deviates from the \$1.00 NAV by more than 0.15% (\$0.0015; equating to less than \$0.9985 or more than \$1.0015), the CIO shall notify the Deputy Treasurer, in conjunction with the AIOs, to determine what, if any, actions need to be taken.
- The LGIP Medium-Term Fund will have a floating NAV with no restrictions regarding deviations in its value.

- F. External Controls
- STO will retain all records related to LGIP investment activities pursuant to state law. As provided by the Audit Act, NMSA 1978, §§ 12-6-1 to-14 (1969, as amended through 2019), the State Auditor or a designated independent auditor will review the investment activities of STO regarding the LGIP to determine the compliance of those activities with this LGIP Investment Policy and state statutes.
- The market value of all funds held by the custodian will be calculated monthly and provided to the State Treasurer.
- G. State Treasurer's Investment Council

The State Treasurer may establish the State Treasurer's Investment Council (STIC), an advisory Council to review investment reporting and any other matters of the State Treasurer's choosing.

- The Investment Council shall consist of five (5) voting members: the State Treasurer, or designee; a member of the Treasurer's staff upon appointment by the Treasurer or designee; the director of the State Board of Finance, or designee; and two members who are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. The member of the Treasurer's staff shall be selected in a manner consistent with maintaining a separation of responsibilities between STO investment managers and the members of the council.
- Each private sector member shall serve at the pleasure of the State Treasurer or the State Board of Finance appointing the private-sector member. The private-sector members shall serve for a term of two (2) years after appointment and shall be eligible for reappointment to serve for consecutive two (2) year terms. Any vacancy created by a private sector member shall be filled in the same manner as original appointments.

VIII. Eligible and Ineligible Investments

A. Eligible Investments

Eligible Investments are only those securities and deposits specifically authorized by statute. Consistent with Sections 6-10-10 and 6-10-10.1, the CIO and AIOs may invest in the following:

- Cash at Banks, Savings and Loan Associations, or Credit Unions whose deposits are insured by an agency of the United States and are certified or designated as eligible to receive public money on deposit in New Mexico;
- Securities issued by the United States government;
- Securities issued or guaranteed by United States government agencies, government sponsored enterprises (GSEs), or instrumentalities including mortgage obligations;
- Securities issued by supranational entities, as defined in this policy;
- Repurchase Agreements, subject to restrictions contained in Section VII, paragraph C of this LGIP Investment Policy;
- Securities Lending Agreements;

- Commercial Paper issuers rated "prime" quality by a nationally recognized rating service, defined in this policy as investment grade, issued by corporations that are organized and operating in the United States and are included on STO's approved issuer list;
- Corporate Bond issuers rated investment grade, as defined in this policy, by a nationally recognized rating service, issued by corporations that are organized and operating in the United States and are included on STO's approved issuer list;
- Asset-Backed Obligations rated "AAA" or better by a nationally recognized rating service;
- Shares of open-ended diversified investment companies that are registered with the United States Securities and Exchange Commission; comply with the diversification, quality, and maturity requirements of Rule 2a-7, or any successor rule, of the United States Securities and Exchange Commission applicable to money market mutual funds; assess no fees pursuant to Rule 12b-1, or any successor rule, of the United States Securities and Exchange Commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated; and do not use swap and derivative products. STO shall not, at any time, own more than five percent (5%) of a money market mutual fund's assets.
- Individual, common or collective trust funds of banks or trust companies that are invested only in United States Government and Agency obligations and repurchase agreements secured by such obligations; have assets under management of at least onebillion dollars (\$1,000,000,000); do not use swap and derivative products; and the investments made by STO are less than five percent (5%) of the assets of the fund.
- Securities issued by the State of New Mexico, its agencies, institutions, counties, municipalities, school districts, community college districts, or other subdivisions of the state, or as otherwise provided by law and rated investment grade as defined by this policy; or
- Securities issued by states other than New Mexico or governmental entities in states other than New Mexico and rated investment grade as defined by this policy.
- B. Ineligible Investments

To provide for the safety and liquidity of funds, the Local Government Investment Pool is specifically prohibited from investing in:

- Short Sales
- Whole Loan Mortgage Obligations
- Reverse Repurchase Agreements, except under a securities lending agreement
- Inverse Floating Rate Notes
- Equity Securities
- Swaps and Derivatives
- C. Repurchase Agreements

Repurchase Agreements are subject to additional restrictions:

 Transactions will be conducted only with currently approved dealers and counterparties included on the broker-dealer list, the Fiscal Agent Bank, or the master custodial bank, operating under the terms of a master repurchase agreement or securities lending agreement;

- Each approved repo counterparty must have a net worth in excess of five-hundredmillion dollars (\$500,000,000);
- The maximum term of any repurchase agreement will be one (1) year; and
- Tri-Party Repurchase Agreement transactions may be entered into with a contracted custodial bank for this purpose, provided all securities meet the requirements within this policy.

Securities accepted as collateral for repurchase agreements will be subject to the following additional restrictions:

- Securities placed as collateral for repurchase agreements, with a final maturity less than 10 years, will be priced at 102% of market value, plus accrued income;
- Securities placed as collateral for repurchase agreements, with a final maturity of ten (10) years or greater, will be priced at 103% of market value, plus accrued income;
- Agency mortgage-backed securities placed as collateral for term repurchase agreements with a maturity longer than seven (7) days will be priced at 105% of market value, plus accrued income;
- Term repurchase agreements with a maturity date that is longer than seven (7) days are required to have daily pricing of collateral; and
- Only treasury and agency securities, including agency mortgage-backed obligations, will be utilized as collateral for repurchase agreements.

IX. Investment Parameters

To provide for the safety and liquidity of funds, the investment of the LGIP will be subject to the restrictions listed below. These represent minimum investment restrictions under this LGIP Investment Policy and there may be separate procedures containing additional, more restrictive limitations for certain investment instruments. All restrictions are based on current market value.

Maximum percentages for a particular issuer, investment type, or liquidity constraint may on occasion be exceeded due to unforeseen circumstances (e.g., due to fluctuations in fund balances). Exceptions will be reported to the Treasurer, the State Treasurer's Investment Council, and the State Board of Finance monthly. Steps will be taken to remedy any breaches that may put the LGIP's Short-Term Fund rating at risk of falling below the required AA or better rating. The LGIP Medium-Term Fund is not required by statute to be rated.

Percentage restrictions will be based on total portfolio market value on the settlement date of securities purchased.

- A. Diversification
- GSEs or government-guaranteed investments rated AA or higher with final maturities shorter than thirty (30) days will be excluded from diversification limits;
- For the LGIP Short-Term Fund and Medium-Term Fund, collateralized bank deposits secured by Federal Home Loan Bank (FHLB) letters of credit (LOCs) qualify as credit substitutions, and will therefore be viewed as obligations of the collateral issuer, FHLB;
- Issuer limits for collateralized bank deposits include certificate of deposit (CD) exposure in aggregate;
- Variable rate demand notes that have a Put, standby purchase agreement or secured by a LOC, back to the issuer, remarketing agent, or LOC provider, will be considered to have a maturity equivalent to the Put date. These securities will not be attributable to the

floating rate note diversification calculation and will be considered the obligation of the standby purchaser or LOC provider.

| Otherwise, the following of | diversification limits | shall apply to the l | LGIP portfolio: |
|-----------------------------|------------------------|----------------------|-----------------|
| | | | |

| | Diversification | |
|---|-----------------|--|
| Allowable Securities | Limits | Further Limitations |
| US Treasury Obligations | 100% | |
| US Agency/GSE Obligations > 30 days | 100% | Per Primary Issuer: 33% |
| Primary Issuers—FNMA, FHLMC, FFCB, FHLB | | Per Secondary Issuer: 5% |
| Secondary Issuers—All Other Agencies/GSEs > 30 days | | Except TVA: 10% |
| US Agency Issued Mortgage-Backed Securities | 25% | |
| Supranational Obligations | 15% | Per Issuer: 5% |
| Bank Deposits—Collateralized | | Per Issuer: |
| A1+ or F1+—1 Day | 100% | 50% |
| A1 or P1 or F1—1 Day | 100% | 25% |
| A1 or P1 or F1—2 Days + | 25% | 5% |
| A2 or P2 or F2 | 10% | 2.5% |
| Bank Deposits (GSE Approved LOC) | | |
| A2 or P2 or F2—1 Day | 50% | 25% |
| Commercial Paper, Corporate Bonds, Medium Term | 40% | Per Corporate Issuer: 5% |
| Notes, and Asset-Backed Obligations (In Aggregate) | | Per Asset-Backed Issuer: 5% |
| Open Ended 2a-7 Rated Fund | 100% | Per Fund: 10% |
| US Treasury and Agency Only | | |
| Municipal Securities | 15% | Per Issuer: 5% |
| Pre-refunded 100% escrowed with US Government | 15% | |
| related securities | | |
| Repurchase Agreements (Business Days) | | Per Counterparty: |
| A1+ or F1+—1 Day | 100% | 50% |
| A1 or P1 or F1—1 Day | 100% | 25% |
| A1 or P1 or F1—2-5 Days | 100% | 10% |
| A1 or P1 or F1—6 Days + | 10% | 5% |
| A2 or P2 or F2—1 Day | 10% | 5% |
| | 100/ | New and stable to |
| Limited/Illiquid Securities (In Aggregate) | 10% | Nonmarketable securities with maturities greater than 5 business days. |

B. Maturity Restrictions

The following maturity limits shall apply to each portfolio:

LGIP SHORT-TERM FUND

| Allowable Securities | Maturity Limits |
|---------------------------|-----------------|
| All Securities | 397 Days |
| Variable Rate Obligations | |
| US Treasury and GSE | 762 Days |
| All Other | 397 Days |

LGIP MEDIUM-TERM FUND

| Allowable Securities | Maturity Limits |
|----------------------|-----------------|
| All Securities | 3 Years |

C. Portfolio Duration

The CIO and AIOs will manage the LGIP Short-Term Fund within the weighted average maturity (WAM) required by the LGIP's rating agency. The appropriate performance benchmark for the LGIP will be reflective of its short-term investment objective. The benchmark will be reviewed by the State Treasurer's Investment Council for recommendation and will be approved by the State Treasurer and the State Board of Finance annually.

The CIO and AIOs will manage the LGIP Medium-Term Fund within +/-15% of the WAM and duration of the appropriate performance benchmark. The benchmark will be reviewed by the State Treasurer's Investment Council for recommendation and will be approved by the State Treasurer and the State Board of Finance annually.

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D. Credit Quality

The following issuer credit rating limits shall apply for the LGIP:

| | Credit | |
|---|--------------------------|-----------|
| Investment Type | Short-Term | Long-Term |
| US Treasury Obligations | | |
| US Agency Obligations | | |
| US Agency Issued Mortgage-Backed Securities | | |
| Supranational Obligations | | AAA/Aaa |
| Bank Deposits—Collateralized | See Above | |
| Asset-Backed Obligations | A1+ or P1 or F1+ | AAA/Aaa |
| Commercial Paper | A1 or P1 or F1 | A/A2 |
| Corporate Bonds | A1 or P1 or F1 | A/A2 |
| Open-Ended 2a-7 rated fund | AAAm or Aaa-mf or Aaammf | |
| US Treasury and Agency Only | | |
| Municipal Securities | A1 or MIG1 or F1 | A/A2 |
| Repurchase Agreements | See Above | |
| Variable Rate Obligations | | |
| US Treasury and Agency/GSE | | |
| All other | A1 or P1 or F1 | A/A2 |
| Limited/Illiquid Securities | A1 or P1 or F1 | A/A2 |

X. Reporting:

The CIO shall prepare a monthly investment report for the State Treasurer. For purposes of reporting, the LGIP Report may be combined with the reports of other assets under the management of the State Treasurer pursuant to the State Treasurer's Investment Policy.

An executive summary will be prepared in a manner that will allow the State Treasurer to ascertain whether investment activities during the reporting period comply with this LGIP Investment Policy, the State Treasurer's Investment Policy, and New Mexico statutes.

The CIO will submit and present the monthly investment report, on behalf of the State Treasurer, to the State Board of Finance and will post the report on the State Treasurer's website and otherwise make it available to the public.

A. Specific Reporting Requirements:

The report will include, at a minimum, the following:

 An asset listing showing par value, cost, market value, type of investment, issuer, and interest rate of securities held;

- For the LGIP Short-Term Fund, the total market value and amortized cost of all pool assets and the average 30-day yield, as of month-end;
- For the LGIP Short-Term Fund WAM to Reset and WAM to Final of the LGIP compared to the maximums allowable per the appropriate rating agency;
- For the LGIP Medium- Term Fund, the total market value and amortized cost of all pool assets, purchase yield and yield to maturity, as of month end;
- For the LGIP Medium-Term Fund, WAM and effective duration of each portfolio compared to its applicable approved benchmark;
- Average portfolio credit quality;
- Total rate of return for the LGIP for the last one (1) month, three (3) months, and twelve (12) months with applicable approved benchmark returns for the same periods;
- Sensitivity analysis on a quarterly basis;
- Transaction listing of the LGIP for the reporting period;
- Transaction summaries for the reporting period and fiscal-year-to-date that include trade volumes, distributions by type of investment and counterparty; and
- LGIP Investment compliance review.
- B. Performance Standards
- The LGIP will be structured to obtain a market average rate of return considering investment risk constraints and cash flow needs.
- The LGIP will be compared to approved benchmarks that appropriately model the expected risk and return profile of each investment objective.
- C. Quarterly Reporting

On a quarterly basis, the CIO shall prepare a quarterly investment report that describes the investment strategy for the LGIP employed during the past quarter and the strategy planned for the next quarter. Information will be reported to the State Treasurer's Investment Council and the State Board of Finance.

D. Annual Reporting

At the next regular State Treasurer's Investment Council meeting after September 30 of each year, the CIO shall present an annual investment report on the LGIP that describes the investment strategy employed during the past fiscal year and the strategy planned for the next fiscal year. The report shall include annual comparisons of the portfolio's return to the performance benchmark for the preceding fiscal year.

XI. Allocation of Investment Income:

The LGIP Short-Term Fund will distribute investment income based upon a participant's average daily balance and the investment income is calculated on an accrual basis. Investment income is credited monthly.

The LGIP Medium-Term Fund will distribute investment income monthly calculated on an accrual basis. The net asset value (NAV) of the Fund is a floating price subject to factors such as pool cash flows and market activity. Realized and unrealized gains and losses are reflected in the NAV calculated each month.

XII. Ongoing Training:

STO strives for professionalism and accountability in the investment of its funds. To assure the highest possible professional standards, STO will provide opportunities and funding for the personnel involved in the investment function to complete continuing education

programs or other training in cash and investment management sufficient to maintain their skills and remain up to date on best practices and new regulations.

XIII. Investment Policy Review/Adoption:

It shall be the duty of the State Treasurer to bring amendments to the Investment Policy to the Board of Finance and obtain consent before updates to the Investment Policy take effect. The Investment Policy shall be reviewed at least every two years. At any time, the Treasurer may further restrict the types of instruments, issuers, and maturities as may be appropriate based on the current market conditions pursuant to Section 6-10-10 G.

XIV. Reasonable Audit, Administrative, and Investment Expenses

As required by Section 6-10-10.1(G), STO shall charge reasonable audit, administrative and investment expenses to all participants within the LGIP. The fee shall be calculated and collected monthly based on the average daily balance of the participant. The specific amount of the fee shall be no less than five (5) but no more than ten (10) basis points, as determined and announced in writing by the State Treasurer. All fees collected from LGIP participants shall be used by STO for administrative expenses and services necessary to operate the pool, including employee salaries and contractual services.

New Mexico State Treasurer's Office:

atoya Cumal

The Honorable Laura M. Montoya New Mexico State Treasurer

1-3-2024

Date

By affixing the signature below, the State Board of Finance hereby provides its advice and consent pursuant to NMSA 1978, §6-10-10.

Nichelle hujan

The Honorable Michele Lujan Grisham Governor of the State of New Mexico President, State Board of Finance

1-3-24

Date

State Treasurer of New Mexico—Investment Policy—LGIP

| | MEMO |
|----------|---|
| то: | Housing New Mexico Board of Directors Through: Finance Committee – August 13, 2024 Through: PC Committee – August 6, 2024 |
| FROM: | Alex Lundy, Finance Manager |
| DATE: | July 30, 2024 |
| SUBJECT: | Fiscal Year 2024/2025 Bond Resolution |

Recommendation:

Staff is recommending approval of the Fiscal Year 2024/2025 Single Family Bond Resolution in an amount not to exceed \$600 million. The resolution's term would cover October 1, 2024, through October 31, 2025. The resolution is anticipated to provide funds for \$600 million of new single family first-time homebuyer mortgage loans.

Background:

Historically, MFA has had the option of funding the single-family program via the To Be Announced ("TBA") Market or the Bond Market. Staff periodically review which funding mechanism will provide the most economic benefit to MFA and the best rates to MFA's borrowers.

After the Fed began to raise interest, the TBA market began to suffer; for a time during 2023, MFA stopped its TBA program altogether. Interest rates have remained elevated throughout Fiscal Year 2024, resulting in record bond issuances for MFA. In Fiscal Year 2025, MFA anticipates relying predominantly on bonds to fund its single-family program.

It is MFA's practice to keep a Board-approved single family program bond resolution in place to allow staff to respond to market conditions and provide beneficial funding executions for both MFA and first-time homebuyers.

Discussion:

The Fiscal Year 2024/2025 Resolution provides MFA staff with the ability to fund one strong year's worth of mortgage production. Staff will provide notice of the intention to

issue bonds as an informational item and will continue to provide post-issuance reporting. The bond issues in Fiscal Year 2024/2025 will not exceed the amount of \$600 million and will be used to fund new loans or refinance previous bond issues. The timing and sizing of each issuance has not been determined and will depend on actual reservation activity and bond market conditions.

Summary:

To authorize future bonding activity and to ensure MFA can be responsive to market conditions, staff are requesting approval of the Fiscal Year 2024/2025 Single Family Bond Resolution. MFA anticipates providing funds for up to \$600 million of new loans or refinanced prior issuances.

CERTIFICATE REGARDING THE RESOLUTION OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, 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 August 21, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 21st day of August, 2024.

Isidoro Hernandez, Secretary New Mexico Mortgage Finance Authority

(SEAL)

Bond Resolution Single Family Mortgage Program Bonds Fiscal Year 2024/2025

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING AND PROVIDING FOR: THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE PROGRAM BONDS FROM TIME TO TIME IN ONE OR MORE ISSUES AND AS ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$600,000,000 AND WITH SUCH TERMS AND CONDITIONS AS AN AUTHORIZED OFFICER DETERMINES ARE IN THE BEST INTERESTS OF THE AUTHORITY, SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION, TO MAKE FUNDS AVAILABE TO FINANCE MORTGAGE LOANS, EITHER DIRECTLY, OR INDIRECTLY BY REFUNDING OUTSTANDING BONDS AND OBLIGATIONS OF THE AUTHORITY, TO PROVIDE DOWN PAYMENT AND CLOSING COST ASSISTANCE, AND TO FUND NECESSARY RESERVES AND COSTS; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ONE OR MORE SERIES INDENTURES, BOND PURCHASE CONTRACTS, OFFICIAL STATEMENTS, INVESTMENT AGREEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND THE TAKING OF ALL OTHER ACTIONS **NECESSARY** CONSUMMATION THE **TRANSACTIONS** TO THE OF CONTEMPLATED BY THIS RESOLUTION; DECLARING THE AUTHORITY'S **OFFICIAL INTENT TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES; AND RELATED MATTERS.**

WHEREAS, pursuant to the Mortgage Finance Authority Act, Sections 58-18-1 through 58-18-27, inclusive, NMSA 1978, and Section 2-12-5, NMSA 1978, as amended (collectively, the "Act"), the New Mexico Mortgage Finance Authority (the "Authority") is a public body politic and corporate, separate and apart from the State of New Mexico (the "State"), constituting a governmental instrumentality servicing a public purpose and acting for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public; and

WHEREAS, the Authority is authorized under the Act to implement a single-family mortgage purchase program, to provide down payment assistance in connection therewith, and to issue its bonds and other obligations to provide funds to (a) alleviate the shortage of decent, safe and sanitary housing which is within the financial means of low- and moderate-income persons and families within the State, (b) refund such and to issue its bonds (including refunding bonds) and other obligations to fund such program; and

WHEREAS, the Authority has determined that it will serve and fulfill the purposes for which it was created by the establishment of previously established a program under the Act (the "Single Family Mortgage Program") to finance the purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financingpurchase of residential housing within the State and securities backed by such mortgage loans and to provide down payment and closing cost assistance in connection with such mortgage loans; and

WHEREAS, to finance a portion of provide financing for the Single Family Mortgage Program, the Authority has deemed it necessary and advisable to proceed with the issuance, sale and delivery of issue, sell and deliver its Single Family Mortgage Program Bonds in an original aggregate principal amount not to exceed \$600,000,000, in one or more issues and as one or more series, at the times and with such terms and conditions as the Chair, the Vice Chair, the Executive Director/Chief Executive Officer, the Secretary, the Chief Financial Officer, the Chief Lending Officer andor the Assistant Secretary of the Authority (each an "Authorized Officer") determines are in the best interests of the Authority, subject to the Act, this Resolution and the hereinafterdescribed General Indenture and the parameters set forth in this Resolution (herein collectively referred to as the "Series 2024-25 Bonds"); and

WHEREAS, the Series 2024-25 Bonds shall be issued on or before October 31, 2025 in one or more issues and as one or more series pursuant to and secured by either the General Indenture of Trust dated as of November 1, 2005 between the Authority and Zions Bancorporation, National Association, as trustee, or the Indenture of Trust dated as of December 1, 2009 between the Authority and Zions Bancorporation, National Association, as trustee (each, a "General Indenture"), and <u>a Series Indenture (as described herein) thereunder which shall prescribe and establish conditions and other appropriate matters with respect to the issuance of the Series 2024-25 Bonds; and</u>

WHEREAS, the Series 2024-25 Bonds shall be special obligations of the Authority payable solely from and secured by a lien on the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the General Indenture; and

WHEREAS, the proceeds made available upon issuance of the Series 2024-25 Bonds will enable the Authority, as directed by an Authorized Officer, to (i) redeem or refund all or a portion of the Authority's outstanding bonds and other obligations, thereby reducing related interest costs to the Authority and/or providing funds for the purchase or financing of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State to finance mortgage loans under the Single Family Mortgage Program Bonds and securities backed by such mortgage loans, (ii) finance the purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the Stateunder the Single Family Mortgage Program Bonds and securities backed by such mortgage loans, (iii) fund down payment assistance and closing costscost assistance in connection with certain mortgage loans financed under the Single Family Mortgage Program and/or (iv) fund reserves and/or pay costs of issuance of the Series 2024-25 Bonds; and

WHEREAS, in connection with each issuance of the Series 2024-25 Bonds, the Authority expects that there willshall be prepared each of the following documents: (a) a Bond Purchase Contract relating to the purchase of one or more series of Series 2024-25 Bonds (the "Purchase Contract") to be entered into among the Authority, and any of RBC Capital Markets LLC, Raymond James & Associates, Inc. (including any of their successors) or any other purchasers to be named therein (collectively, the "Underwriters"), (b) a Series Indenture (the "Series Indenture" and collectively with the General Indenture, the "Indenture") to be entered into between the Authority and the applicable trustee, (c) a Preliminary Official Statement to be used by the Underwriters in marketing the Series 2024-25 Bonds (the "Preliminary Official Statement") and (d) a form of a Continuing Disclosure Agreement with respect to the Series 202425 Bonds (the "**Continuing Disclosure Agreement**" and together with the Purchase Contract, the Indenture and the Preliminary Official Statement-(, the "**Bond Documents**"); and

WHEREAS, the Bond Documents relating to each issuance of Series 2024-25 Bonds shall be in substantially the same forms of such as the respective documents on file with the Authority which were previously approved and used by the Authority in connection with the issuance of its Single Family Mortgage Program Class I Bonds, 2024-Series C and 2024 Series D2023-24, with appropriatesuch changes as hereinafter described permitted hereby; and

WHEREAS, in order to provide continuous financing for borrowers under the Single Family Mortgage Program, the Authority may purchase mortgage loans and securities backed by such mortgage loans from its general fund, a commercial line of credit or other warehouse financing, and, at such times as proceeds of Series 2024-25 Bonds become available, may direct the trustee to use Series 2024-25 Bond proceeds to reimburse such purchases; and

WHEREAS, the federal tax laws, particularly Internal Revenue Code Regulation Section 1.150-2, require that any governmental issuer which intends to use bond proceeds to reimburse itself for expenditures paid from non-bond sources declare its intention to so reimburse itself prior to making any such expenditure; and.

WHEREAS, it appears that each of the instruments above referred to, which are now before each of the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended.

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

Section 1. The Authority finds and determines that the supply of funds available in the private banking system in the State for residential mortgages is inadequate to meet the demand of persons and families of with low or and moderate income for residential mortgage financingincomes, and that financing the making of mortgage loans by the Authority will alleviate such inadequate supply of residential mortgage money in the State's banking system.

Section 2. All <u>other actionactions</u> heretofore taken (not inconsistent with the provisions of this Resolution) by the Authority and its officers <u>and service providers</u> directed toward the issuance of the Series 2024-25 Bonds are hereby ratified, approved and confirmed.

Section 3. For the purpose of providing funds to To finance the purchase of housing by persons and families of with low or and moderate income within the State, either directly, or indirectly by refunding certain outstanding bonds of the Authority, the purchase of purchasing mortgage loans and securities backed by such mortgage loans, the funding of down payment assistance and closing costs cost assistance, and the funding of any reserves and costs of issuance, all as authorized under the Indenture, the Authority authorizes the issuance of its Series 2024-25 Bonds in the aggregate principal amount of not to exceed \$600,000,000 during the period commencing on the date hereof and ending on October 31, 2025. No Series 2024-25 Bonds may be issued pursuant to this Resolution after October 31, 2025, absent an amendment hereto. The Series 2024-25 Bonds shall be issued from time to time as one or more issues and in one or more series, which shall be designated New Mexico Mortgage Finance Authority "Single Family

Mortgage Program Class ____ Bonds, 20___202[4][5] Series ___" (or with such other or additional Class/Series/title designation as deemed appropriate by an Authorized Officer), shall be of the Class or Classes, shall be dated, shall mature on the dates and in the principal amounts, shall bear interest (which may be included in or exempt from federal income taxation) at rates and be payable all as determined by an Authorized Officer, within the parameters set forth in Exhibit A hereto. The Series 2024-25 Bonds shall be issued only in fully registered form.

Section 4. The form, terms and provisions of the Series 2024-25 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be determined by an Authorized Officer, subject to the parameters set forth herein. The Authorized Officers are each individually authorized to execute, attest and seal by original or facsimile the Series 2024-25 Bonds and to deliver the Series 2024-25 Bonds to the bond registrar for authentication. The appropriate officials of the Authority, including, without limitation, the Authorized Officers, are authorized to execute and deliver to the bond registrar the written order of the Authority for authentication and delivery of the Series 2024-25 Bonds in accordance with the provisions of the Indenture.

Section 5. The Series 2024-25 Bonds shall be sold to the Underwriters pursuant to one or more Purchase Contracts. An Authorized Officer shall specify and agree as to the purchase prices, the principal amounts, the interest rates, the maturities, and underwriting fees (not to exceed 1.0% of the principal amount of each series) with respect to each issuance of Series 2024-25 Bonds for and on behalf of the Authority by the execution and delivery of the Purchase Contract, provided such terms are within the parameters set by this Resolution.

Section 6. The Bond Documents for each issuance of Series 2024-25 Bonds in substantially the form and content described in the recitals above and on file with the Authority are in all respects authorized, approved and confirmed. The Authorized Officers are each individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents in the form and with substantially the same content as described in the recitals above for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 12 hereof.

Section 7. Employees of the Authority designated by an Authorized Officer are authorized to give notice of the availability of funds from any issue of Series 2024-25 Bonds (if applicable) and to enter into, execute and deliver Single Family Mortgage Program documents for and on behalf of the Authority.

Section 8. The Authorized Officers are each individually authorized to approve the distribution of a Preliminary Official Statement (in connection with the offer for sale of one or more series of Series 2024-25 Bonds. Such Preliminary Official Statement shall be in substantially the form described in the recitals above) and on file with the Authority, with such alterations, changes or additions as may be authorized by Section 12 hereof. The Authorized Officers are each individually authorized to approve, execute and deliver an Official Statement in connection with the sale of such Series 2024-25 Bonds, which Official Statement shall be in substantially the form of the Preliminary Official Statement, with modifications determined at the time of the sale of each issue of Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of such Series 2024-25 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of

changes or additions as may be authorized by Section 12 hereof. The Authority authorizes the use of such Preliminary Official Statement and Official Statement by the Underwriters in connection with the offering and sale of eachthe applicable issue of Series 2024-25 Bonds and the use of any supplement or amendment thereto so that such Preliminary Official Statement and Official Statement do not include any untrue statement of material fact and do not omit to state a material fact necessary to make the statements therein not misleading.

Section 9. The Authorized Officers are each individually authorized to enter into investment agreements ("Investment Agreements") in form and substance satisfactory to such Authorized Officer. Any and all proceeds of, and investment income attributable to, the Series 2024-25 Bonds may be loaned to or deposited from time to time pursuant to the Investment Agreements for the periods, and at the interest rates, specified therein.

Section 10. The officers of the Authority, including, without limitation, the Authorized Officers, are authorized to take all action necessary or reasonably required by or in connection with the Series 2024-25 Bonds, the Indenture, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, any Investment Agreement, the Purchase Contract and all other documents, agreements and items related to the Series 2024-25 Bonds to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 11. Upon their issuance, the Series 2024-25 Bonds will constitute special, limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2024-25 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2024-25 Bonds or the Purchase Contract shall be construed as creating a general obligation of the Authority, incurring or creating a charge upon the general credit of the Authority, creating an obligation of any kind of the State or any political subdivision thereof.

Section 12. The appropriate officials of the Authority, including, without limitation, the Authorized Officers, are authorized to make any alterations, changes or additions in the Indenture, the Series 2024-25 Bonds, the Purchase Contract, the Preliminary Official Statement, the Official Statement, any Investment Agreement, the Continuing Disclosure Agreement, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement or any other document, agreement or item herein authorized and approved to be delivered in connection with each issuance of the Series 2024-25 Bonds which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to permit the inclusion under the Indenture of any other loans approved by the governing board of the Authority, and maintain the expected rating on the Series 2024-25 Bonds, to conform the same to other provisions of said instruments, to the final terms established for each issuance of Series 2024-25 Bonds (within the parameters established herein), and the final agreement with the Underwriters, to the provisions of this Resolution or any resolution adopted by the Authority, or the provisions of the laws of the State of New Mexico or the United States.

Section 13. The issuance of the Series 2024-25 Bonds and approval and authorization of the Authority of the documents relating thereto and the provisions thereof are conditioned on the holding of a public hearing in accordance with Section 147(f) of the Internal Revenue Code of

1986, as amended, and the approval by the Governor of the State, the designated and elected official as described in said Section 147(f).

Section 14. The Authorized Officers are each authorized to cause any portion of an allocation of current-year volume cap from the State Board of Finance or any prior-year volume cap carried forward by the Authority for the purposes of the Single Family Mortgage Program, to be allocated to the issuance of any Series 2024-25 Bonds issued as bonds, the interest on which is intended to be exempt from federal income taxation.

Section 15. The Authority declares its intention to reimburse itself from all or a portion of proceeds of the Series 2024-25 Bonds for expenditures relating to purchasing mortgage loans, purchasing securities backed by such mortgage loans and funding down payment assistance and closing costscost assistance. During its 2024-25 fiscal year, the Authority reasonably expects and intends to issue the Series 2024-25 Bonds in a maximum principal amount not to exceed \$600,000,000 pursuant to the Indentures, the proceeds of which may be used to reimburse the Authority for funds expended by the Authority prior to the issuance of the Series 2024-25 Bonds for the purposes described herein. This Section 15 constitutes a declaration of official intent and is intended to qualify as a reimbursement declaration and resolution in accordance with Regulation Section 1.150-2 issued pursuant to the Code, permitting proceeds of the Series 2024-25 Bonds to be used to reimburse the Authority for expenditures incurred prior to the issuance of the Series 2024-25 Bonds to 2024-25 Bonds.

Section 16. The Authority authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series 2024-25 Bonds as directed by andan Authorized Officer to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of the Authority's outstanding bonds and other obligations in such amounts as directed by such Authorized Officer. Such Authorized Officer is authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of such bonds and obligations, including, but not limited to, executing any necessary amendments or supplemental indentures in order to cause the refunding, retirement, retirement, redemption, defeasance or payment thereof.

Section 17. The Authority authorizes the Executive Director/Chief Executive Officer to deposit with the Trustee, in connection with the issuance of one or more series of Series 2024-25 Bonds, up to \$[11,800,000] in the aggregate from the general unencumbered funds of the Authority or the Surplus Fund under the Indenture (the "Authorized Amount") to be used to facilitate the issuance of such Series 2024-25 Bonds and, to the extent necessary, for credit into the funds and accounts under the Indenture to further secure principal and interest on the bonds, to obtain a rating on the Series 2024-25 Bonds and to maintain the current rating on bonds currently outstanding under the Indenture (such exact amount of the deposit to be determined by the Executive Director/Chief Executive Officer upon consultation with the Underwriters and the Authority's financial advisor, CSG Advisors). The Authority further authorizes the Executive Director/Chief Executive Officer to allocate and apply all or a portion of the Authorized Amount, all in the manner determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority, for the purpose of making funds available to finance a down payment and closing cost assistance program, to pay borrower closing costs, or to pay other Single Family Mortgage Program costs, as determined by the Executive Director/Chief Executive Officer to be

in the best interests of the Authority. In addition to the Authorized Amount, the Executive Director/Chief Executive Officer may allocate mortgage-backed securities held by the Authority (in the Surplus Fund of the Indenture or otherwise) to provide additional collateral for any issuance of the Series 2024-25 Bonds.

Section 18. 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 19. The officials of the Authority, including, without limitation, the Authorized Officers, are 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 20. After any Series 2024-25 Bonds are delivered by the trustee to the Underwriters and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2024-25 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture. After any of the Series 2024-25 Bonds are issued, this Resolution shall constitute an irrevocable contract between the Authority and the owner or owners of the Series 2024-25 Bond, and this Resolution, if any Series 2024-25 Bonds are in fact issued, shall remain irrepealable until the Series 2024-25 Bonds are in fact issued, shall remain irrepealable until the Series 2024-25 Bonds are in fact issued.

Section 21. No member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority and authorized by this Resolution.

Section 22. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 23. This Resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS 21ST DAY OF AUGUST, 2024.

Chair

(SEAL)

ATTEST:

Secretary

EXHIBIT A

Single Family Mortgage Program Bonds

| | | | Weighted Average | |
|----------------------|--------------------|------------------|-------------------|-----------------|
| | | | Interest Rate for | Authority Funds |
| Issue Date | Maturity Date | Principal Amount | each issuance of | Contribution: |
| On or before October | Not to extend | Not to exceed | Not to exceed | Not to exceed |
| <u>31, 2025</u> | beyondOn or before | \$600,000,000 | 8.00% | \$[11,800,000] |
| | March 1, 2058 | | | |

| Summary report: | | | | | | |
|--|-------------------|--|--|--|--|--|
| Litera Compare for Word 11.4.0.111 Document comparison done on 7/30/2024 1:16:11 AM | | | | | | |
| Style name: Default Style | | | | | | |
| Intelligent Table Comparison: Active | | | | | | |
| Original DMS: nd://4882-3299-5795/1/New Mexico NM | MFA SF 2024-2025 | | | | | |
| ANNUAL BOND RESOLUTION.docx | | | | | | |
| Modified DMS: nd://4882-3299-5795/2/New Mexico NM | IMFA SF 2024-2025 | | | | | |
| ANNUAL BOND RESOLUTION.docx | | | | | | |
| Changes: | | | | | | |
| Add | 63 | | | | | |
| Delete | 65 | | | | | |
| Move From | 0 | | | | | |
| Move To | 0 | | | | | |
| Table Insert | 2 | | | | | |
| Table Delete | 0 | | | | | |
| Table moves to | 0 | | | | | |
| Table moves from | 0 | | | | | |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 | | | | | |
| Embedded Excel | 0 | | | | | |
| Format changes | 0 | | | | | |
| Total Changes: | 130 | | | | | |

CERTIFICATE REGARDING THE RESOLUTION OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, 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 August 21, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 21st day of August, 2024.

Isidoro Hernandez, Secretary New Mexico Mortgage Finance Authority

(SEAL)

Bond Resolution Single Family Mortgage Program Bonds Fiscal Year 2024/2025

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING AND PROVIDING FOR: THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE PROGRAM BONDS FROM TIME TO TIME IN ONE OR MORE ISSUES AND AS ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$600,000,000 AND WITH SUCH TERMS AND CONDITIONS AS AN AUTHORIZED OFFICER DETERMINES ARE IN THE BEST INTERESTS OF THE AUTHORITY, SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION, TO MAKE FUNDS AVAILABE TO FINANCE MORTGAGE LOANS, EITHER DIRECTLY, OR INDIRECTLY BY REFUNDING OUTSTANDING BONDS AND OBLIGATIONS OF THE AUTHORITY, TO PROVIDE DOWN PAYMENT AND CLOSING COST ASSISTANCE, AND TO FUND NECESSARY RESERVES AND COSTS; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ONE OR MORE SERIES INDENTURES, BOND PURCHASE CONTRACTS, OFFICIAL STATEMENTS, INVESTMENT AGREEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND THE TAKING OF ALL OTHER ACTIONS **NECESSARY** CONSUMMATION THE **TRANSACTIONS** TO THE OF CONTEMPLATED BY THIS RESOLUTION; DECLARING THE AUTHORITY'S **OFFICIAL INTENT TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES; AND RELATED MATTERS.**

WHEREAS, pursuant to the Mortgage Finance Authority Act, Sections 58-18-1 through 58-18-27, inclusive, NMSA 1978, and Section 2-12-5, NMSA 1978, as amended (collectively, the "Act"), the New Mexico Mortgage Finance Authority (the "Authority") is a public body politic and corporate, separate and apart from the State of New Mexico (the "State"), constituting a governmental instrumentality servicing a public purpose and acting for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public; and

WHEREAS, the Authority is authorized under the Act to implement a single-family mortgage purchase program to alleviate the shortage of decent, safe and sanitary housing which is within the financial means of low- and moderate-income persons and families within the State and to issue its bonds (including refunding bonds) and other obligations to fund such program; and

WHEREAS, the Authority has previously established a program under the Act (the "Single Family Mortgage Program") to finance mortgage loans made by eligible mortgage lenders to eligible borrowers for the purchase of residential housing within the State and securities backed by such mortgage loans and to provide down payment and closing cost assistance in connection with such mortgage loans; and

WHEREAS, to provide financing for the Single Family Mortgage Program, the Authority has deemed it necessary and advisable to issue, sell and deliver its Single Family Mortgage Program Bonds in an original aggregate principal amount not to exceed \$600,000,000, in one or

more issues and as one or more series, at the times and with such terms and conditions as the Chair, the Vice Chair, the Executive Director/Chief Executive Officer, the Secretary, the Chief Financial Officer, the Chief Lending Officer or the Assistant Secretary of the Authority (each an "Authorized Officer") determines are in the best interests of the Authority, subject to the Act, the hereinafter-described General Indenture and the parameters set forth in this Resolution (herein collectively referred to as the "Series 2024-25 Bonds"); and

WHEREAS, the Series 2024-25 Bonds shall be issued pursuant to and secured by either the General Indenture of Trust dated as of November 1, 2005 between the Authority and Zions Bancorporation, National Association, as trustee, or the Indenture of Trust dated as of December 1, 2009 between the Authority and Zions Bancorporation, National Association, as trustee (each, a "General Indenture"), and a Series Indenture (as described herein) thereunder which shall prescribe and establish conditions and other appropriate matters with respect to the Series 2024-25 Bonds; and

WHEREAS, the Series 2024-25 Bonds shall be special obligations of the Authority payable solely from and secured by a lien on the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the General Indenture; and

WHEREAS, the proceeds made available upon issuance of the Series 2024-25 Bonds will enable the Authority to (i) redeem or refund all or a portion of the Authority's outstanding bonds and other obligations, thereby reducing related interest costs to the Authority and/or providing funds to finance mortgage loans under the Single Family Mortgage Program Bonds and securities backed by such mortgage loans, (ii) finance mortgage loans under the Single Family Mortgage Program Bonds and securities backed by such mortgage loans, (iii) fund down payment and closing cost assistance in connection with certain mortgage loans financed under the Single Family Mortgage Program and (iv) fund reserves and/or pay costs of issuance of the Series 2024-25 Bonds; and

WHEREAS, in connection with each issuance of the Series 2024-25 Bonds, the Authority expects that there shall be prepared each of the following documents: (a) a Bond Purchase Contract relating to the purchase of one or more series of Series 2024-25 Bonds (the "Purchase Contract") to be entered into among the Authority, and any of RBC Capital Markets LLC, Raymond James & Associates, Inc. (including any of their successors) or any other purchasers to be named therein (collectively, the "Underwriters"), (b) a Series Indenture (the "Series Indenture" and collectively with the General Indenture, the "Indenture") to be entered into between the Authority and the applicable trustee, (c) a Preliminary Official Statement to be used by the Underwriters in marketing the Series 2024-25 Bonds (the "Preliminary Official Statement") and (d) a form of a Continuing Disclosure Agreement with respect to the Series 2024-25 Bonds (the "Continuing Disclosure Agreement"); and

WHEREAS, the Bond Documents relating to each issuance of Series 2024-25 Bonds shall be in substantially the same forms as the respective documents on file with the Authority which were previously approved by the Authority in connection with the issuance of its Single Family Mortgage Program Class I Bonds, Series 2023-24, with such changes as permitted hereby; and WHEREAS, in order to provide continuous financing for borrowers under the Single Family Mortgage Program, the Authority may purchase mortgage loans and securities backed by such mortgage loans from its general fund, a commercial line of credit or other warehouse financing, and, at such times as proceeds of Series 2024-25 Bonds become available, may direct the trustee to use Series 2024-25 Bond proceeds to reimburse such purchases; and

WHEREAS, the federal tax laws, particularly Internal Revenue Code Regulation Section 1.150-2, require that any governmental issuer which intends to use bond proceeds to reimburse itself for expenditures paid from non-bond sources declare its intention to so reimburse itself prior to making any such expenditure.

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

Section 1. The Authority finds and determines that the supply of funds available in the private banking system in the State for residential mortgages is inadequate to meet the demand of persons and families with low and moderate incomes, and that financing mortgage loans by the Authority will alleviate such inadequate supply of residential mortgage money in the State's banking system.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Authority and its officers and service providers directed toward the issuance of the Series 2024-25 Bonds are hereby ratified, approved and confirmed.

Section 3. To finance the purchase of housing by persons and families with low and moderate income within the State, either directly, or indirectly by refunding certain outstanding bonds of the Authority, purchasing mortgage loans and securities backed by such mortgage loans, funding down payment and closing cost assistance, and funding any reserves and costs of issuance, all as authorized under the Indenture, the Authority authorizes the issuance of its Series 2024-25 Bonds in the aggregate principal amount of not to exceed \$600,000,000 during the period commencing on the date hereof and ending on October 31, 2025. No Series 2024-25 Bonds may be issued pursuant to this Resolution after October 31, 2025, absent an amendment hereto. The Series 2024-25 Bonds shall be issued from time to time as one or more issues and in one or more series, which shall be designated New Mexico Mortgage Finance Authority "Single Family Mortgage Program Class ____ Bonds, 202[4][5] Series ___" (or with such other or additional Class/Series/title designation as deemed appropriate by an Authorized Officer), shall be of the Class or Classes, shall be dated, shall mature on the dates and in the principal amounts, shall bear interest (which may be included in or exempt from federal income taxation) at rates and be payable all as determined by an Authorized Officer, within the parameters set forth in Exhibit A hereto. The Series 2024-25 Bonds shall be issued only in fully registered form.

Section 4. The form, terms and provisions of the Series 2024-25 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be determined by an Authorized Officer, subject to the parameters set forth herein. The Authorized Officers are each individually authorized to execute, attest and seal by original or facsimile the Series 2024-25 Bonds and to deliver the Series 2024-25 Bonds to the bond registrar for authentication. The appropriate officials of the Authority, including, without

limitation, the Authorized Officers, are authorized to execute and deliver to the bond registrar the written order of the Authority for authentication and delivery of the Series 2024-25 Bonds in accordance with the provisions of the Indenture.

Section 5. The Series 2024-25 Bonds shall be sold to the Underwriters pursuant to one or more Purchase Contracts. An Authorized Officer shall specify and agree as to the purchase prices, the principal amounts, the interest rates, the maturities, and underwriting fees (not to exceed 1.0% of the principal amount of each series) with respect to each issuance of Series 2024-25 Bonds for and on behalf of the Authority by the execution and delivery of the Purchase Contract, provided such terms are within the parameters set by this Resolution.

Section 6. The Bond Documents in substantially the form and content described in the recitals above and on file with the Authority are in all respects authorized, approved and confirmed. The Authorized Officers are each individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents with such alterations, changes or additions as may be authorized by <u>Section 12</u> hereof.

Section 7. Employees of the Authority designated by an Authorized Officer are authorized to give notice of the availability of funds from any issue of Series 2024-25 Bonds (if applicable) and to enter into, execute and deliver Single Family Mortgage Program documents for and on behalf of the Authority.

Section 8. The Authorized Officers are each individually authorized to approve the distribution of a Preliminary Official Statement in connection with the offer for sale of one or more series of Series 2024-25 Bonds. Such Preliminary Official Statement shall be in substantially the form described in the recitals above and on file with the Authority, with such alterations, changes or additions as may be authorized by Section 12 hereof. The Authorized Officers are each individually authorized to approve, execute and deliver an Official Statement in connection with the sale of such Series 2024-25 Bonds, which Official Statement shall be in substantially the form of the Preliminary Official Statement, with modifications determined at the time of the sale of each issue of Series 2024-25 Bonds and such alterations, changes or additions as may be authorized by Section 12 hereof. The Authority authorizes the use of such Preliminary Official Statement and Official Statement by the Underwriters in connection with the offering and sale of the applicable issue of Series 2024-25 Bonds and the use of any supplement or amendment thereto so that such Preliminary Official Statement and Official Statement do not include any untrue statement of material fact and do not omit to state a material fact necessary to make the statements therein not misleading.

Section 9. The Authorized Officers are each individually authorized to enter into investment agreements ("Investment Agreements") in form and substance satisfactory to such Authorized Officer. Any and all proceeds of, and investment income attributable to, the Series 2024-25 Bonds may be loaned to or deposited from time to time pursuant to the Investment Agreements for the periods, and at the interest rates, specified therein.

Section 10. The officers of the Authority, including, without limitation, the Authorized Officers, are authorized to take all action necessary or reasonably required by or in connection with the Series 2024-25 Bonds, the Indenture, the Mortgage Loan Sub-servicing Agreement, the

Master Servicing Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, any Investment Agreement, the Purchase Contract and all other documents, agreements and items related to the Series 2024-25 Bonds to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 11. Upon their issuance, the Series 2024-25 Bonds will constitute special, limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2024-25 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2024-25 Bonds or the Purchase Contract shall be construed as creating a general obligation of the Authority, incurring or creating a charge upon the general credit of the Authority, creating an obligation of any kind of the State or any political subdivision thereof.

Section 12. The appropriate officials of the Authority, including, without limitation, the Authorized Officers, are authorized to make any alterations, changes or additions in the Indenture, the Series 2024-25 Bonds, the Purchase Contract, the Preliminary Official Statement, the Official Statement, any Investment Agreement, the Continuing Disclosure Agreement, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement or any other document, agreement or item herein authorized and approved to be delivered in connection with each issuance of the Series 2024-25 Bonds which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to permit the inclusion under the Indenture of any other loans approved by the governing board of the Authority, and maintain the expected rating on the Series 2024-25 Bonds, to conform the same to other provisions of said instruments, to the final terms established for each issuance of Series 2024-25 Bonds (within the parameters established herein), and the final agreement with the Underwriters, to the provisions of this Resolution or any resolution adopted by the Authority, or the provisions of the laws of the State or the United States.

Section 13. The issuance of the Series 2024-25 Bonds and approval and authorization of the Authority of the documents relating thereto and the provisions thereof are conditioned on the holding of a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the approval by the Governor of the State, the designated and elected official as described in said Section 147(f).

Section 14. The Authorized Officers are each authorized to cause any portion of an allocation of current-year volume cap from the State Board of Finance or any prior-year volume cap carried forward by the Authority for the purposes of the Single Family Mortgage Program, to be allocated to the issuance of any Series 2024-25 Bonds, the interest on which is intended to be exempt from federal income taxation.

Section 15. The Authority declares its intention to reimburse itself from all or a portion of proceeds of the Series 2024-25 Bonds for expenditures relating to purchasing mortgage loans, purchasing securities backed by such mortgage loans and funding down payment and closing cost assistance. During its 2024-25 fiscal year, the Authority reasonably expects and intends to issue the Series 2024-25 Bonds in a maximum principal amount not to exceed \$600,000,000 pursuant to the Indentures, the proceeds of which may be used to reimburse the Authority for funds expended by the Authority prior to the issuance of the Series 2024-25 Bonds for the purposes described herein. This Section 15 constitutes a declaration of official intent and is intended to

qualify as a reimbursement declaration and resolution in accordance with Regulation Section 1.150-2 issued pursuant to the Code, permitting proceeds of the Series 2024-25 Bonds to be used to reimburse the Authority for expenditures incurred prior to the issuance of the Series 2024-25 Bonds.

Section 16. The Authority authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series 2024-25 Bonds as directed by an Authorized Officer to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of the Authority's outstanding bonds and other obligations in such amounts as directed by such Authorized Officer. Such Authorized Officer is authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of such bonds and obligations, including, but not limited to, executing any necessary amendments or supplemental indentures in order to cause the refunding, refirement, redemption, defeasance or payment thereof.

The Authority authorizes the Executive Director/Chief Executive Officer to Section 17. deposit with the Trustee, in connection with the issuance of one or more series of Series 2024-25 Bonds, up to \$[11,800,000] in the aggregate from the general unencumbered funds of the Authority or the Surplus Fund under the Indenture (the "Authorized Amount") to be used to facilitate the issuance of such Series 2024-25 Bonds and, to the extent necessary, for credit into the funds and accounts under the Indenture to further secure principal and interest on the bonds, to obtain a rating on the Series 2024-25 Bonds and to maintain the current rating on bonds currently outstanding under the Indenture (such exact amount of the deposit to be determined by the Executive Director/Chief Executive Officer upon consultation with the Underwriters and the Authority's financial advisor, CSG Advisors). The Authority further authorizes the Executive Director/Chief Executive Officer to allocate and apply all or a portion of the Authorized Amount, all in the manner determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority, for the purpose of making funds available to finance down payment and closing cost assistance, to pay borrower closing costs, or to pay other Single Family Mortgage Program costs, as determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority. In addition to the Authorized Amount, the Executive Director/Chief Executive Officer may allocate mortgage-backed securities held by the Authority (in the Surplus Fund of the Indenture or otherwise) to provide additional collateral for any issuance of the Series 2024-25 Bonds.

Section 18. 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 19. The officials of the Authority, including, without limitation, the Authorized Officers, are 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 20. After any Series 2024-25 Bonds are delivered by the trustee to the Underwriters and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2024-25 Bonds are

deemed to have been fully discharged in accordance with the terms and provisions of the Indenture. After any of the Series 2024-25 Bonds are issued, this Resolution shall constitute an irrevocable contract between the Authority and the owner or owners of the Series 2024-25 Bond, and this Resolution, if any Series 2024-25 Bonds are in fact issued, shall remain irrepealable until the Series 2024-25 Bonds shall be fully paid, canceled and discharged.

Section 21. No member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority and authorized by this Resolution.

Section 22. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 23. This Resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS 21ST DAY OF AUGUST, 2024.

Chair

(SEAL)

ATTEST:

Secretary

EXHIBIT A

Single Family Mortgage Program Bonds

| | | | Weighted Average | |
|----------------------|---------------|------------------|-------------------|-----------------|
| | | | Interest Rate for | Authority Funds |
| Issue Date | Maturity Date | Principal Amount | each issuance of | Contribution: |
| On or before October | On or before | Not to exceed | Not to exceed | Not to exceed |
| 31, 2025 | March 1, 2058 | \$600,000,000 | 8.00% | \$[11,800,000] |
| | | | | |



MEMO

| TO: | Housing New Mexico Board of Directors |
|----------|--|
| | Through: Finance Committee – August 13, 2024 |
| | Through: Policy Committee – June 25, 2024 |
| FROM: | Donna Maestas-De Vries, Chief Housing Officer |
| DATE: | August 21, 2024 |
| SUBJECT: | Allocations of 2024 HOME Funds and 2024 National Housing Trust Funds |

Recommendation:

Staff recommends approval of the National Housing Trust Fund (NHTF) allocation in the amount of \$3,144,833 and the HOME allocation in the amount of \$20,104,107 to the activities detailed in this memo.

Background:

MFA has been the statewide Participating Jurisdiction (PJ) for HUD HOME funds in New Mexico since 1997. HOME funds are allocated annually on a formula basis to each PJ. In 2016 MFA also started receiving allocations of NHTF. In order to be eligible, MFA must be compliant with the Consolidated Plan, Action Plan and NHTF Allocation Plan in addition to submitting the Consolidated Annual Performance and Evaluation Report (CAPER), amongst other requirements.

Discussion:

NHTE

In May, HUD provided MFA with the 2024 NHTF allocation amount of \$3,144,833. The NHTF is funded through contributions from Fannie Mae and Freddie Mac rather than through appropriations. Each year, Fannie Mae and Freddie Mac are required to set aside 42 cents for every \$1,000 of the unpaid principal balance of mortgages they purchase. Of that amount, 65% is provided to HUD for the NHTF. Staff recommends approval to allocate \$3,014,833 to program funds and \$130,000 for program administration.

HOME

HUD also provided MFA with the 2024 HOME allocation in the amount of \$5,009,839. This was a decrease of \$957,637 from the previous year's allocation of \$5,967,476. HUD allocates a share of HOME funds to jurisdictions and states with a mathematical formula that measures the relative need for affordable housing. Demographic factors, which are derived primarily from the most recent decennial census, represent the relative need. MFA is carrying forward \$10,831,653 from the previous year in addition to \$4,262,615 of program income. The combined total available allocation is \$20,104,107. The carryforward amount consists of unused administrative fees, unused homeowner development allocation, HOME rehab funding that was not allocated through the NOFA, and rental development funds that have not been allocated to a specific project.

The HOME rehab program provides home repairs and upgrades for qualified homeowners. This program, for the most part, was put on hold from 2020 through mid-2022, as homeowners did not want workers in their homes

Housing New Mexico | MFA 344 Fourth St. SW Albuquerque, NM 87102 | 505-843-6880 | 800-444-6880 | housingnm.org during the COVID outbreak. In mid-2022, our service providers had to reinstate the program by hiring new staff and re-establishing the application pipeline.

In the rental development program, there was a delay in loan closings early last year due to the volatility of construction costs. Both labor and materials have increased significantly, and there were supply chain issues. HOME is a popular source of gap funding, and MFA anticipates that funds will be expended this upcoming program year as the projects are now moving forward at pre-COVID timelines.

| Funding Source | Amount | | |
|---------------------|--------------|--|--|
| 2024 HUD Allocation | \$5,009,839 | | |
| Carryforward | \$10,831,653 | | |
| Program Income | \$4,262,615 | | |
| Total Available | \$20,104,107 | | |

HOME funds can be used in various activities which include Homebuyer Assistance (DPA), Homeowner Development (DEV), Home Rehabilitation (HOR), Rental Programs (REN), Community Housing Development Organizations (CHDO) Set Aside, CHDO Operating funds (COE) and Administration (ADM). MFA expects to have active programs in all activities except DPA (down payment assistance) which is being funded through the New Mexico Housing Trust Fund and the general fund.

HOME allocations to each activity are based on projected demand and/or HOME requirements and limitations. Demand for funds is monitored on a monthly basis. Should demand not materialize in an activity, we have flexibility within the Action Plan to reallocate funds to another activity.

Summary:

Staff requests approval to allocate the NHTF in the amount of \$3,144,833 for programs and administration, and to allocate \$20,104,107 of HOME funds to the following activities.

| ACTIVITY | FUNDS |
|---|--------------|
| Homeowner Development (DEV) | \$1,000,000 |
| Rehabilitation (HOR) | \$4,132,472 |
| Rental Programs (REN) | \$13,544,161 |
| Community Housing Dev. Organization (CHDO)* | \$1,000,000 |
| CHDO Operating | \$50,000 |
| Administration (ADM) | \$377,474 |
| TOTAL | \$20,104,107 |

*NOTE: Can be used for CHDO Rental or Single-Family Programs

2024 HOME ALLOCATIONS

| | Proposed A 2024 | | 2023 Board Approved Allocation Amount | 2023 Board Approved Allocation Percentage | 2022 Board Approved Allocation Amount | 2022 Board Approved Allocation Percentage | 2021 Board Approved Allocation Amount | 2021 Board Approved Allocation Percentage | 2020 Board Approved Allocation Amount | 2020 Board Approved Allocation Percentage |
|---|--|-------------------------|---|--|---|--|--|--|---|--|
| HUD Allocation Carry Forward from Last Year Program Income Total Available to Distribute/Award | \$5,009, \$10,831 \$4,262, \$20,104 | ,653 ,615 | \$5,967,476 \$6,162,664 \$3,901,520 \$16,031,660 | | \$5,975,945 \$3,147,702 \$4,200,000 \$13,323,647 | | \$5,279,570 \$383,788 \$2,125,000 \$7,788,358 | | \$5,245,062 \$5,594,331 \$1,181,284 \$12,020,677 | |
| Homeowner Programs | Dollar | % | | _ | | | | | | |
| Homebuyer Assistance (DPA) | \$0 | 0.00% | \$0 | 0.00% | - | 0.00% | _ | 0.00% | - | 0.00% |
| Payment\$aver Helping Hand | \$0 \$0 | 0.00% 0.00% | \$0 \$0 | | - | 0.00% 0.00% | - | 0.00% 0.00% | - | 0.00% 0.00% |
| Homeowner Development (DEV) | \$1,000,000 | 4.97% | \$999,472 | 6.23% | 1,185,261 | 8.90% | 502,349 | 6.45% | 937,445 | 7.80% |
| Rehabilitation (HOR) | \$4,132,472 | 20.56% | \$5,047,334 | 31.48% | 2,112,857 | 15.86% | 2,830,486 | 36.34% | 6,063,877 | 50.45% |
| Homeowner Rehab - Reservation Homeowner Rehab - Lead Based Paint | \$4,082,472 \$50,000 | 20.31% 0.25% | \$4,997,360 \$49,974 | 31.17% | 2,061,324 | 15.47% 0.39% | 2,780,276 | 35.70% 0.64% | 5,962,428 | 49.60% 0.84% |
| Rental Programs (REN) | \$13,544,161 | 67.37% | \$8,002,886 | 49.92% | 7,967,250 | 59.80% | 2,830,485 | 36.34% | 3,452,822 | 28.72% |
| Other Programs | \$1,000,000 | 4.97% | \$895,121 | 5.58% | 896,392 | 6.73% | 791,936 | 10.17% | 786,759 | 6.55% |
| CHDO Set-Aside (CHDO) TBRA (TBR) MFA R&D Programs (R&D) | \$1,000,000 \$0 \$0 | 4.97% 0.00% 0.00% | \$895,121 \$0 \$0 | | 896,392 - - | 6.73% 0.00% 0.00% | 791,936 - - | 10.17% 0.00% 0.00% | 786,759 - - | 6.55% 0.00% 0.00% |
| CHDO Operating (COE) | \$50,000 | 0.25% | \$99,947 | 0.62% | 144,293 | 1.08% | 110,145 | 1.41% | 170,000 | 1.41% |
| Administration (ADM) | \$377,474 | 1.88% | \$986,900 | 6.16% | 1,017,595 | 7.64% | 722,957 | 9.28% | 609,774 | 5.07% |
| MFA Administration Admin Pass Through | \$255,000 \$122,474 | 1.27% 0.61% | \$836,979 \$149,921 | 5.22% 0.94% | 955,755 61,840 | 7.17% 0.46% | 607,306 115,651 | 7.80% 1.48% | 430,901 178,873 | 3.58% 1.49% |
| TOTAL ACTIVITY DISTRIBUTIONS | \$20,104,107 | 100.00% | \$16,031,660 | | 13,323,647 | 100.00% | 7,788,358 | 100.00% | 12,020,677 | 100.00% |
| DIFFERENCE GRAND TOTAL | \$0 \$20,104,107 | 0.00% 100.00% | \$0 \$16,031,660 | | 0 13,323,647 | 0.00% 100.00% | 0 7,788,358 | 0.00% 100.00% | - 12,020,677 | 0.00% 100.00% |

HOME Expenditures

| | 2023 Board Approved Allocation Amount | | | | | | | | | |
|---|---|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| HUD Allocation Carry Forward from Last Year Program Income Total Available to Distribute/Award | \$5,967,476 \$6,162,664 \$3,901,520 \$16,031,660 | Total Expenditures 7/1/2023 to 6/30/2024 | Grant Year 2023 | Grant Year 2022 | Grant Year 2021 | Grant Year 2020 | Grant Year 2019 | Grant Year 2018 | Grant Year 2017 | Program Income |
| Homeowner Programs | | | | | | | | | | |
| Homebuyer Assistance (DPA) | \$0 | \$0 | | | | | | | | |
| Payment\$aver Helping Hand | | | | | | | | | | |
| Homeowner Development (DEV) | \$999,472 | \$0 | | | | | | | | |
| Rehabilitation (HOR) | \$5,047,334 | \$609,506 | | | | | | | | |
| Homeowner Rehab - Reservation Homeowner Rehab - Lead Based Paint | \$4,997,360 \$49,974 | | | | | | 382,611 3,078 | 222,598 1,218 | | |
| Rental Programs (REN) | \$8,002,886 | \$2,775,695 | | | | 695,000 | 80,000 | 95,000 | | 1,905,695 |
| Other Programs | \$895,121 | \$3,057,500 | | | | | | | | |
| CHDO Set-Aside (CHDO) TBRA (TBR) MFA R&D Programs (R&D) | \$895,121 \$0 \$0 | | 1,005,121 | 804,892 | 791,936 | | 300,575 | - | 25,000 | 129,976 |
| CHDO Operating (COE) | \$99,947 | \$40,000 | | | | 40,000 | | | | |
| Administration (ADM) | \$986,900 | \$461,488 | | | | | | | | |
| MFA Administration Admin Pass Through | \$836,979 \$149,921 | | | 80,743 | | | 13,203 | 3,367 | | 364,175 |
| TOTAL ACTIVITY EXPENDITURES | \$16,031,660 | \$6,944,190 | | | | | | | | |
| GRAND TOTAL | \$16,031,660 | \$6,944,190 | 1,005,121 | 885,635 | 791,936 | 735,000 | 779,467 | 322,184 | 25,000 | 2,399,846 |

8/14/2024



MEMO

| то: | MFA Board of Directors | | | | | |
|----------|---|---|--|--|--|--|
| | Through: Through: | Finance – August 13, 2024 Policy Committee – July 30, 2024 | | | | |
| FROM: | Tim Martinez, Housing Development Supervisor George Maestas, Director of Housing Development | | | | | |
| DATE: | July 30, 2024 | | | | | |
| SUBJECT: | Proposed Changes to the Land Title Trust Fund Notice of Funding Availability | | | | | |

Recommendation:

Staff recommend approval of changes to the Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) that would remove limitations on funding request amounts. Currently, no applicant may request more than 30% of available funds. This limitation renders the program virtually unusable as the available funds balance drops. Additionally, due to the rate at which funds accrue from monthly remitted interest, it takes considerable time to build up a program balance that permits effective utilization.

Although not specifically precluded in the NOFA, staff also recommend approval to explicitly include predevelopment as an eligible activity. Few funding sources have the statutory flexibility to finance predevelopment, and the LTTF Act's broad applicability makes the program well suited for this needed use.

Background:

The Land Title Trust Fund (LTTF) was created by an act of the New Mexico State Legislature. The Act names the New Mexico Mortgage Finance Authority (MFA) as Trustee and allows MFA's title company partners to participate by depositing escrow funds into an interest-bearing account at their banks. The banks then remit the interest to MFA to be used to finance loans or grants that will provide housing for low-income persons whose household income does not exceed 80% of area median income ("AMI"). Eligible awardees are nonprofit corporations, state and local governments, housing authorities, and tribal agencies. Additionally, 10% of all interest deposits are reserved for scholarships administered by the New Mexico Land Title Association, and 20% of deposits are invested in a permanent capital fund.

Discussion:

As of June 30, 2024, the available LTTF balance for affordable housing loans and grants was \$807,640. Currently, the LTTF NOFA restricts a single funding request to 30% of available funds, which equates to \$242,292. As it is, this amount is significantly lower than all other MFA-administered housing development program limits, which would be

exacerbated by any reduction in the total available funds. Roughly five years ago, the LTTF available balance neared \$0, which made the 30% limitation especially onerous for the several years it took to build back a utilizable program balance.

Summary:

MFA staff find that the current LTTF NOFA award limitation of 30% of available funds does not account for fluctuations in the available balance and renders the program difficult to utilize – sometimes over an excessive period of time. Additionally, applicants who apply when available funds are relatively low are arbitrarily limited to ineffectively small funding opportunities. As such, staff recommend removing limitations on requested funding amounts.

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LAND TITLE TRUST FUND Notice of Funding Availability (NOFA) and Application Guidelines



Introduction and Background

This Act creates the Land Title Trust Fund (the "Fund"). The Act provides that certain title company escrow funds may be placed in interest-earning accounts; the interest earned is to be remitted to the Fund. The Fund will be used to finance loans or grants that will provide housing for low-income persons whose household income does not exceed 80% of area median income ("AMI") and other uses as outlined in the act.

Contact Person

Applicants are encouraged to direct questions regarding the LTTF Notice of Funding Availability ("NOFA") and Application Guidelines to:

George Maestas Tim Martinez

New Mexico Mortgage Finance Authority <u>7425 Jefferson St NE344 4th Street SW</u> Albuquerque, NM <u>8710287109</u> Phone: (505) 767-2243 or toll-free statewide (800) 444-6880 E-mail: <u>gmaestastmartinez</u>@housingnm.org

Application Submission and Due Date

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. Applications will be reviewed on a guarterly basis if funds are available. In order to be considered for the funding cycle, completed applications must be received and date-stamped at MFA's office in Albuquerque no later than 5 p.m. on the application due date, which shall be the second Friday of the first month in each calendar guarter (i.e. January, April, July and October). The required forms will be provided electronically and may be downloaded from MFA's website at http://www.housingnm.org. Applications will be reviewed for completeness and scoring. If applications are incomplete or otherwise unacceptable, they will be returned to the applicant for completion or with a rejection notice. A minimum score of 75 points must be achieved for a project to be funded. Applications will NOT be accepted electronically or via facsimile. Applications shall be submitted in sealed envelopes marked "Land Title Trust Fund Application." Applicants must deliver one (1) original of the application to the Contact Person. Final approval or rejection of applications is expected no later than the last day of the calendar quarter.

Applications must be submitted either electronically through MFA's file sharing site (see below) or as hard copies. Hard copy applications shall be submitted in file folders marked "Land Title Trust Fund Application" and may be delivered by U.S. mail, by courier service or by hand* to the following address:

<u>MFA</u>

Attn: Tim Martinez, Housing Development Supervisor 7425 Jefferson St NE Albuquerque, NM 87109

*All in person deliveries must call the main line at (505) 843-6880 to schedule a time for the drop off.

<u>Electronic applications must be uploaded to MFA's file sharing site:</u> <u>https://local.housingnm.org/FileTransferHD/</u>

Eligible Applicants

Eligible applicants include non-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies. Eligible applicants are entities that can assume contractual liability and legal responsibility by executing one or more written agreements entered into with MFA.

To be eligible to receive Land Title Trust Fund assistance, an applicant shall:

- Be organized under state, local, or tribal laws;
- Have a functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles;
- Have (a) no material financial audit findings, and (b) no material findings on its most recent MFA monitoring or outstanding or unresolved issues with MFA, as determined by MFA;
- Not have been suspended, debarred or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency because of misconduct or alleged misconduct;
- Have among its purposes significant activities related to providing housing or services to persons of low and/or moderate income; and
- Not have defaulted on any obligation covered by a surety or performance bond.

If a non-profit organization, an applicant shall:

- Provide proof of its 501(c)(3) tax status;
- Provide proof that it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et. *seq.* and with the filing requirements by the New Mexico Attorney General's Office under that Act; and
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

Eligible Activities

Subject to applicable law, the Land Title Trust Fund may be used to assist in financing a wide range of activities to provide affordable housing. The Fund will be used to finance loans or grants that will provide housing for low-income persons. MFA encourages contact and inquiries from potential applicants prior to and during application

preparation to help assure that proposed activities are eligible. Eligible activities may include, but are not limited to:

Homeownership

- Down payment assistance and homebuyer education
- New construction or acquisition, rehabilitation, and resale of single-family homes including manufactured housing
- Home rehabilitation and maintenance, or repair of existing owner-occupied housing
- Emergency home repair of existing owner-occupied housing
- Predevelopment activities

Rental Housing

- New construction or acquisition and rehabilitation of permanent rental housing
- Rehabilitation of existing affordable rental housing
- Predevelopment activities

Special Needs Housing

- New construction or acquisition and rehabilitation of housing for special needs populations including, but not limited to, transitional, group or congregate housing, and temporary housing for the homeless
- •___Rehabilitation of existing housing for special needs populations
- Predevelopment activities

Eligible Expenses

Subject to applicable law, LTTF financing may be used only for reasonable and customary costs that are directly attributable and traceable to the development, acquisition, and/or rehabilitation of affordable housing projects and other activities as allowed under Eligible Activities above.

Funding Terms and Conditions

All LTTF awards shall be subject to the availability of funds and applicable law. The MFA will allocate only the minimum amount of funds that MFA determines to be necessary for the financial feasibility of the project. LTTF awards may be in the form of loans or grants. Loans and grants will be secured by mortgages and/or other appropriate liens. Additionally, the recording of Land Use Restriction Agreements or similar restrictive covenants will be required and remaining place for the stipulated affordability period regardless of the status of the loan or changes in ownership, unless equal or more restrictive land use restrictions are in place from other funding sources or imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Funding Limits and Restrictions

Certain limits and restrictions apply to LTTF financing and to activities that the LTTF may fund. Awards are also contingent upon sufficient availability of funds. No applicant

may request more than 30% of available funds. MFA, in its discretion, may set limits on the amount of LTTF funding to be awarded per application, per NOFA, or otherwise.

Evaluation of Applications, Award Notice, and Negotiation

Subject to applicable law and the Land Title Trust Fund Act, applications will be evaluated by MFA staff using the criteria listed below, and by the Land Title Trust Fund Advisory Committee, with final selection to be made by MFA's Board of Directors. In the event of a tie score, staff will recommend approval based on readiness to proceed, financial need, and other factors as determined by staff. As a condition of any award of LTTF funds, all applicants shall be required to comply with all applicable federal, state and local laws, rules and ordinances.

Threshold Requirements

To be considered for funding, an applicant must first demonstrate that it meets each of the following threshold criteria:

- 1. The application is complete and legible, including all exhibits and attachments, and is submitted by the application deadline.
- 2. The application complies with all applicable requirements established in this application.
- 3. The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and/or managing an affordable housing project.

Applications that do not meet all of the threshold requirements will not receive further consideration for funding. The application will be returned to the applicant for resubmission; a list of those threshold items that were not met will be included with the returned application.

Protest

Any applicant who is aggrieved in connection with this NOFA or the award of a loan or grant pursuant to the LTTF application process may protest to MFA. The protest must be written, addressed to the Contact Person and delivered to MFA within fifteen (15) calendar days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to any and all applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The applicants receiving notice may file responses to the protest within seven (7) calendar days of notice of protest. The Land Title Trust Fund Advisory Committee shall review the protest and responses to the protest and shall make a recommendation to MFA's Board of Directors regarding the disposition of the protest.

LAND TITLE TRUST FUND Funding Application



| Name of Organization | | Amount Requested ¹ \$ |
|----------------------------|--------------------|-------------------------------------|
| Address | | |
| Telephone Number | Fax Number | |
| Tax ID Number | Web Site Address (| (if applicable) |
| Affiliated Organization(s) | | |

| Contact Person | Title |
|------------------|------------------|
| Telephone Number | Fax Number |
| E-mail Address | Application Date |

| Type of Organization Years in Existence | Non-profit organization² Governmental entity Other: |
|---|---|
| Organization Operating Budget | \$ |
| Proposed Funding Terms | Amortizing loan with interest Amortizing loan without interest Loan with no payments and including use restrictions (<i>i.e.</i> due on sale or transfer to an ineligible household/client, or upon refinancing) Loan forgivable after 5 years minimum Administrative grant |
| Number of Households/Clients This Project Will Serve | |
| Income Limits for Households/Clients This Project Will Serve (As a % of Area Median Income) | |

¹ <u>Awards are contingent upon sufficient availability of funds</u><u>Applicants may apply for *no more than 30% of currently available Land Title Trust funds* in a single funding round. <u>Contact the LTTF program manager to verify the current available funds balance.</u> <u>To see how much funding is currently available, click on www.housingnm.org</u>.</u>

² Non-profit applicants must provide proof of 501(c)(3) status, proof of compliance with the Charitable Solicitations Act, and a list of the Board of Directors' names, employers (if applicable), and addresses. These items should be included as part of Exhibit 2.

Questions 1 – 7

- 1. What services does your organization provide?
- 2. Why is your organization requesting Land Title Trust Fund assistance at this time?
- 3. In which geographic area or areas will your organization provide services with funding from the Land Title Trust Fund? How will your proposed project benefit communities in that area/those areas?
- 4. Provide a proposed funding cycle below indicating when you anticipate drawing funds from the Land Title Trust Fund for your project.

| Date(s) | | |
|-----------|--|--|
| Amount(s) | | |

5. Provide proposed project funding budget below.

| Sources of Funds | Uses of Funds | | | |
|---|---------------|-------|-------|-------|
| | Project | Admin | Other | Total |
| LTTF (Requested) | \$ | \$ | \$ | \$ |
| | \$ | \$ | \$ | \$ |
| | \$ | \$ | \$ | \$ |
| | \$ | \$ | \$ | \$ |
| | | | | |
| GRAND TOTAL (NOTE: LIST <u>ALL</u> MATCHING AND LEVERAGING SOURCES) | | | | \$ |

6. List the title companies in the geographic areas you serve. A list of NM title companies is available at <u>http://www.nmlta.org/</u> (NM Land Title Association's web site). See the Contact Person for a list of companies participating in the LTTF.

| Name | Address | Contact Person | Participate in LTTF? |
|------|---------|-------------------|----------------------------------|
| | | | □ YES □ NO |
| | | | □ YES □ NO |
| | | | □ YES □ NO |
| | | | YESNO |
| | | | □ YES □ NO |
| | | | □ YES □ NO |
| | | | □ YES □ NO |

7. Are any of the above title companies supporting this application? If so, please provide a letter of support.

Exhibits

Exhibit 1 Attach a one to two-page executive summary. In addition to describing the basic nature of the proposed project/program, it should demonstrate the applicant's ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and/or managing an affordable housing project.

The executive summary should also demonstrate the uniqueness of this project/program in order for the applicant to receive the maximum number of points available under the "innovative" scoring criterion on the score sheet of this application. A proposed project/program is considered innovative if it:

- (a) is not duplicative of existing services within the proposed service area,
- (b) addresses an unmet need on the affordable housing continuum, and
- (c) cannot be fully funded with other existing funding sources (or cannot be funded with other sources in an amount of time that would allow for successful pursuit of the project opportunity).

Flexibility in repayment terms—*i.e.*, *granting* funds without use restrictions or to households above 30% AMI is <u>not</u> considered innovative for purposes of the Land Title Trust Fund.

Exhibit 2 Submit latest external financial audit for most recent fiscal year available and internally prepared financial statements for any fiscal year since then with interims statements dated within 90 days of the application date.

Non-profit applicants must also provide:

- (1) proof of 501(c)(3) income tax exempt status,
- (2) a list of the Board of Directors' names, employers (if applicable), and addresses, and
- (3) Provide proof that it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et. *seq.* and with the filing requirements by the New Mexico Attorney General's Office under that Act.
- Exhibit 3 On a separate sheet, describe and quantify services your organization provided during the last 12 months. (If you provide services in more than one county, distinguish by county.)

Please note: incomplete applications will not be reviewed or scored in the funding round during which they were submitted. They will be returned to the applicant with an explanation as to missing items. The applicant may apply during the next quarterly funding round.

Exhibit 4 Service Area

Please describe your organization's geographic service area as it appears in your organization's by-laws. In the boxes below, please check all county service areas as authorized in your by-laws and then check the counties where your organization has actually provided services, developed housing, *etc*.

| County | Authorized | Served | County | Authorized | Served |
|------------|------------|--------|------------|------------|--------|
| Bernalillo | | | McKinley | | |
| Catron | | | Mora | | |
| Chaves | | | Otero | | |
| Cibola | | | Quay | | |
| Colfax | | | Rio Arriba | | |
| Curry | | | Roosevelt | | |
| DeBaca | | | San Juan | | |
| Dona Ana | | | San Miguel | | |
| Eddy | | | Sandoval | | |
| Grant | | | Santa Fe | | |
| Guadalupe | | | Sierra | | |
| Harding | | | Socorro | | |
| Hidalgo | | | Taos | | |
| Lea | | | Torrance | | |
| Lincoln | | | Union | | |
| Los Alamos | | | Valencia | | |
| Luna | | | | | |

| | | | Points A | Awarded |
|----|--|---------------------|---------------------|-------------------|
| | Scoring Criteria | Points Available | Self- Assessment | MFA Assessment |
| 1. | Title Company Participation (In Service Area) ³ | | | |
| | 76% to 100% of title companies participate | 20 pts | | |
| | 51% to 75% of title companies participate | 15 pts | | |
| | 26% to 50% of title companies participate | 10 pts | | |
| | 10% to 25% of title companies participate | 5 pts | | |
| 2. | Leveraging of Resources | | | |
| LT | TF funds as a percentage of total project cost: | | | |
| | 10% or less | 20 pts | | |
| | 11% to 15% | 15 pts | | |
| | 16% to 20% | 10 pts | | |
| | 21% to 25% | 5 pts | | |
| 3. | Funding Terms | | | |
| | Amortizing loan with interest | 20 pts | | |
| | Amortizing loan without interest | 15 pts | | |
| | Loan with no payments & use restrictions | 10 pts | | |
| | Loan forgivable after 5 years minimum | 3 pts | | |
| 4. | Household/Client Income (weighted average) | • | | |
| | 30% AMI or less | 20 pts | | |
| | 31 - 50% AMI | 15 pts | | |
| | 51 - 70% AMI | 10 pts | | |
| 5. | Service to Priority Area(s) | • | | |
| | Defined in the current Action Plan & contingent | 10 pts | | |
| | on activity proposed (see following page) | • | | |
| 6. | Administrative Costs | | | |
| | Percentage of proposed funding that will be | | | |
| | used for administrative costs: | | | |
| | 3% or less | 10 pts | | |
| | 4% to 5% | 5 pts | | |
| 7. | Innovative Project/Program | | | |
| | Proposed project/program: (a) is not | | | |
| | duplicative of existing services within the | | | |
| | proposed service area, (b) addresses an | 24 pts | | |
| | unmet need on the affordable housing | | | |
| | continuum, and (c) cannot be fully funded with | | | |
| | other existing funding sources | | | |
| 8. | Letter of support from a participating title | | | |
| | company | 6 pts | | |
| A | oplicants must earn a threshold level of 75 points to | 130 | | |
| | be considered for funding | points | | |

³ If a limited number of title companies in the proposed service area actively participate in the LTTF, applicants are encouraged to solicit non-participating title companies to enroll (enrollment forms may be downloaded from www.housingnm.org).

2009 Action Plan Priority Areas

Homebuyer Assistance

MFA has identified the following priority counties for homebuyer assistance (*i.e.*, down payment and closing cost assistance) programs: Bernalillo, Los Alamos, San Miguel, Sandoval, Santa Fe, Taos, Torrance, and Valencia Counties.

New Single Family Housing Development

MFA has identified the following priority counties for new single family housing development initiatives: Doña Ana, Luna, and Valencia Counties.

Housing Rehabilitation

MFA has identified the following priority counties for owner-occupied housing rehabilitation programs: Catron, Cibola, De Baca, Harding, Hidalgo, McKinley, Mora, Rio Arriba, Roosevelt, Sandoval, San Juan, San Miguel, Socorro and Taos Counties.

Rental Development – New Construction

MFA has identified the following priority counties for rental development programs for new construction: Bernalillo, Doña Ana and Sandoval Counties.

Rental Development – Acquisition/Rehab

MFA has identified the following priority counties for rental development programs for acquisition/rehab: Bernalillo, Doña Ana, Grant, Luna, San Miguel, Santa Fe, Sierra, Socorro, Taos, Torrance and Valencia Counties.

Special Programs

Special programs are designed to meet specific needs. The geographic distribution of this funding will be appropriate for the target population. Special programs may include, but are not limited to, transitional housing, permanent supportive housing, housing for households in which one or more members lives with a disability, and emergency shelter. Applicants who request LTTF funds for a special program must demonstrate the need for the type of services proposed in the proposed service area in order to receive 10 points for this scoring criterion.

APPLICANT CERTIFICATION

application to the New Mexico Mortgage Finance Authority ("MFA") for Land Title Trust Funds. Applicant certifies that:

It will abide by all applicable federal and state of New Mexico laws and all applicable statutory, regulatory and judicially created rules and guidelines.

It certifies that it has not been suspended, debarred, or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency because of misconduct or alleged misconduct.

It warrants that it has not made any political contribution or gift valued in excess of \$2,500 (singularly or in the aggregate) made by Applicant or on Applicant's behalf to any elected official of the State of New Mexico in the last three (3) years.

It warrants that it has no current or proposed business transaction with any MFA member, officer, employee or their employer or other potential conflict which may give rise to a claim of conflict of interest. It warrants that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this contract.

It warrants that it is an Equal Opportunity Employer, and it complies fully with all government regulations regarding nondiscriminatory employment practices.

It understands that MFA will monitor its performance under and compliance with terms contained in loan agreement(s) resulting from this application. It understands and represents that any contract it enters into with MFA will be binding in all respects.

If a non-profit organization, it warrants that it is registered with New Mexico Attorney General's office as a charitable organization. (Proof of registration is required.)

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED IN THE PROPOSAL IS TRUE AND CORRECT, AND THAT I HAVE THE AUTHORITY TO BIND THE APPLICANT TO THE ASSURANCES, AS WITNESSED BY MY SIGNATURE BELOW.

| By: | | Date: | |
|-----|--------------|-------|--|
| | Signature | | |
| | Printed Name | | |
| | Title | | |

Application Submission Checklist

- \Box Questions 1 7
- Letter of support from title company (if applicable)
- □ Exhibit 1 Executive Summary

Exhibit 2 – Latest external financial audit for most recent fiscal year available and internally prepared financial statements for any fiscal year since then with interim statements dated within 90 days of the application date. For Non–Profits:

- (1) proof of 501(c)(3) income tax exempt status,
- (1) proof of control (0)(0) income tax exempt status,
 (2) a list of the Board of Directors' names, employers (if applicable), and addresses, and
 (3) proof of compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et. *seq.* and with the filing requirements by the New Mexico Attorney General's Office under that Act.
- □ Exhibit 3 Description of last 12 months' services
- \Box Exhibit 4 Service area
- Applicant Certification
- □ Scoring Sheet (complete the "Self-Assessment" column)

Additional Considerations

1. Please note that successful applicants will be required to publicize the Land Title Trust Fund contribution to their projects in marketing materials, press releases, during ribbon cutting ceremonies, *etc*.

2. MFA encourages successful applicants that require title company services during the course of their projects to engage the services of a title company that participates in the Land Title Trust Fund.



NEW MEXICO MORTGAGE FINANCE AUTHORITY **Contracted Services/Credit Committee Meeting** Tuesday, August 13, 2024 @ 10:00 am

Webex- call in information is 1-408-418-9388 (access code): 2485 316 1174 Or you can join the call from the calendar item

| | AGENDA ITEM | TIME ALLOTTED | COMMITTEE RECOMMENDED | BOARD ACTION REQUIRED |
|-----------------------|--|------------------|--------------------------|-----------------------------|
| 1 | Mariposa Apartments - New Mexico Housing Trust Fund Loan Request – Justin Carmona & George Maestas | 10:00-10:10 | presented | YES |
| 2 | Sandoval Flats - New Mexico Housing Trust Fund Loan Request – Tim Martinez & George Maestas | 10:10-10:20 | prosented | YES |
| $\frac{\text{In}}{3}$ | formational Items Questions/comments from Committee | 10:20-10:30 | NIA | NO |

Committee Members present:

| Rebecca Wurzburger, Chair Attorney General Raul Torrez/Designee | □ present | 🛯 absent | □ conference call | |
|--|-----------|----------|-------------------|--|
| Gideon Elliot | □ present | □ absent | □ conference call | |
| Patricia Sullivan | □ present | ⊡ absent | □ conference call | |

NOTE: - Quarum not astablished Alemander - Move forward to Beaud w/o Crute recommendation

2024 RENTAL AWARD SUMMARY

| Project Name & | Sandoval Flats 3200 E Camino Encantadas NE, Rio Rancho, NM 87144 |
|----------------------------|--|
| Address Broposed Award | |
| Proposed Award Borrower | \$3,000,000New Mexico Housing Trust Fund (NMHTF)Rate2.0%Rio Rancho Leased Housing Associates I, LLLP owned 0.005% by RioRancho Leased HousingAssociates I, LLC as its General Partner; and 0.005% owned by Rio Rancho Leased HousingAssociates LP I, LLC as Class B Limited Partner; and 99.98% by tax credit investor, WNC &Associates, as its Limited Partner; and 0.01% by a to-be-determined Special Limited Partner. |
| Management | Dominium Management Services, LLC (Dominium), is a Minnesota limited liability company incorporated in 2008 acting as the property management subsidiary of Dominium, a vertically integrated developer, owner, and manager of affordable housing communities. Dominium is the second largest developer of affordable housing in the nation with over 225 apartment properties and 38,000 units under management across 23 states. Dominium has extensive experience working with Section 42, Section 8, Senior, Artist, Family, Historic and Market Rate Homes. Dominium has recently expanded its presence in the Western United States, including the opening of a regional development office in Phoenix. The regional office currently owns and operates over 1,400 units with another 800 under construction, and over 3,500 in its development pipeline. Ron Mehl, Senior Vice President & Project Partner for Sandoval Flats, has over 26 years of real estate development, management & accounting experience. |
| Developer | Dominium Development and Acquisition, LLC (Dominium) is a Minnesota limited liability company incorporated in 1999 acting as the multifamily development arm of Dominium (see company description above). Dominium Holdings I, LLC and Dominium Holdings II, LLC's combined CPA-reviewed financial statements for FYE 12/31/22 show Unrestricted Cash of \$3.9M, Total Assets of \$293M, a Net Worth of \$293M, and a Net income of \$61M. Consolidated internally prepared financial statements ending on 12/31/23 show Unrestricted Cash of \$5.7M, Total Assets of \$196M, and a Net Worth of \$196M. Consolidated internally prepared financial statements ending on 03/31/24 show Unrestricted Cash of \$8.2M, Total Assets of \$172M, and a Net Worth of \$172M. Dominium is an experienced developer that has a proven history of obtaining LIHTC investors at good prices and large bank financing at favorable rates. |
| Project Type & Size | New Construction of a 216-unit apartment complex serving Households with Children. All 216 units will be income restricted to households earning 60% or less of Area Median Income (AMI). |
| Project Description | Sandoval Flats consists of a proposed 216-unit New Construction project comprised of eight 3-story wood framed, garden-style residential buildings located on a 9.48-acre site. The project will contain 12 one-bedroom units at approximately 668 square feet, 108 two-bedroom units at approximately 911 square feet, 60 three-bedroom units at approximately 1,171 square feet, and 36 four-bedroom units at approximately 1,311 square feet. The combined residential and community buildings will total roughly 287,461 gross square feet. All units will incorporate Universal Design Features to provide equitable use among all residents and be geared to universally adapt to a resident's pace and ability. |

| | The Novogradac market study dated 05/16/2024 generally defines the Subject's Primary Market Area as the northern portion of the city of Rio Rancho and the northwestern portion of the city of Bernalillo and surrounding areas with boundaries that are generally defined as follows: |
|--|---|
| | North: US Highway 550 East: Interstate 25 South: Paseo Del Norte Boulevard West: Unser Boulevard |
| | The Novogradac market study advises that the Subject is feasible as proposed and will maintain good quality affordable housing that is in demand in the area. The property is within close proximity of employment, retail, and related amenities. The market study indicates other affordable housing developments in the PMA are experiencing stable occupancy levels with all affordable comparables having waiting lists. |
| | As a newly constructed development, the Subject will exhibit excellent condition and will be generally superior to all of the comparables in terms of condition. Further, the Subject will offer a competitive location, amenities, and unit sizes. The market study demand estimate shows a Capture Rate of 2.7% for the overall market. Based upon properties surveyed, vacancy rates ranged from 0.0% to 10.5%, with an overall average of 4.1%. The average vacancy rate reported by the affordable comparables was 3.8%. The Subject is expected to maintain a 3% vacancy rate or below. The market study estimates that the Subject's units will be absorbed at a rate of 30 units per month. This equates to an absorption period of approximately seven months. |
| Environmental & Site | A Phase I site assessment for the land that includes Sandoval Flats at the Southeast corner of Camino Encantadas and Hapsburg Road in Rio Rancho, NM was completed in September 2021 by Nova Group. No Recognized Environmental Conditions (RECs) Controlled Recognized Environmental Conditions (CRECs), Historical Recognized Environmental Conditions (HRECs) and/or environmentally noteworthy items were identified in connection with the site. |
| Project Financials, Projections and Assumptions | This project was underwritten at Housing New Mexico/MFA's standard 7% vacancy. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes total annual income of \$3,130,960. The developer estimates \$772,027 in total operating expenses less reserves and social services (i.e., \$3,574 per unit per year), which is below Housing New Mexico/MFA's standard underwriting range of \$4,300 to \$5,800. It is worth noting that larger multifamily properties such as Sandoval Flats benefit from economies of scale with costs spread over more units. This effect is particularly accentuated with fixed costs such as management, maintenance, and employee benefits costs. Additionally, Sandoval County has agreed to abate the property taxes for the project, significantly reducing annual expenses. Furthermore, the Novogradac market study found that the developer's expense estimate to be within the range of the comparables and seems reasonable for a new construction development. |
| | The Debt Service Coverage Ratio (DSCR) starts at 1.18 to 1.00 in year one, increasing to 1.40 to 1.00 in year 15. This ratio is slightly below Housing New Mexico/MFA's underwriting standards of a range between $1.20 - 1.40$ to 1:00 during year one of operation but is within underwriting standards for all other years of operation. The interest rate for Greystone Servicing Company's first mortgage loan is assumed to be 6.90% (6.40% 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 Dominium. |
| | Currently, it appears that 76% (\$8,014,678) of the \$10,552,261 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 15. |
| | Based on the tax investor's letter of interest, the project is currently underwritten using a credit price of 91 cents on the dollar, which is above the average range for recent 4% LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$478K in deferred developer fee or cash flow loan from Dominium. |

| Affordability | NMHTF |
|--|---|
| Affordability | Twelve one-bedroom units, 108 two-bedroom units, 60 three-bedroom units, and 36 four-bedroom |
| Requirements | units restricted to households earning 60% or less of the Area Median Income (AMI), for which a Land Use Restriction Agreement (LURA) will be filed in Sandoval County. The NMHTF affordability period is 20 years as required by Affordable Housing Act Rules and in concurrence with the loan term and starts on the date the Certificate of Occupancy is issued. |
| Repayment and | <u>NMHTF</u> |
| Disbursement | <u>Payments</u> : Interest only monthly during the construction period not to exceed 24 months; 239 equal principal & interest payments based on a 40-year amortization, with a final balloon payment of all outstanding principal and interest due at maturity. All outstanding principal and interest is due at the earlier of maturity, refinance, or sale of the project. |
| | Disbursement: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly. |
| Special Conditions | 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; 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. Loan to be in third lien position during the construction period and second lien position during the permanent period; and Dominium must provide a corporate guarantee. |
| Housing New | Dominium |
| Mexico/MFA Commitments to Other Projects | N/A – Sandoval Flats is the developer's first proposed affordable multifamily project in New Mexico. |
| Housing New Mexico/MFA | Total MFA Exposure: \$0 |
| Exposure <u>Risk Factors</u> | Market – Low (Strong demand for proposed property in PMA) Construction – Medium (construction material pricing remains volatile, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls) Developer – Low (Experienced developer, strong balance sheet) Guarantor – Low (Strong balance sheet) General Partner/Managing Member (i.e. the developer) – Low (Strong balance sheet) Community Opposition – Low Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. Final underwriting is required before loan closing to ensure viability before final commitment) |
| Summary & | The proposed project presents a favorable risk profile and is recommended for approval. |
| Recommendation | |
| Prepared by | Tim Martinez, Housing Development Supervisor |
| Reviewed by | George Maestas Director of Housing Development |
| | Conge Macsias, Director of Housing Development / Part Date 0/0/2024 |

/

| | PRO | DJECT INFORMATION SUMMA | RY | | | | |
|---------------------------------------|---|--|-------------------------|------------------|--|-------------|--|
| | Project Name Sandoval Flats | | NC, AR, or NC/AR | Total # Units | Sizes | Target AMIs | |
| Total Development Cost | \$ 87,484,017 | | NC | 216 | 1-BED, 2-BED, 3- | 60% AMI | |
| · · · · · · · · · · · · · · · · · · · | Rio Rancho Leased Hous | ing Associates I, LLLP | BED & 4-BED | | | | |
| Management | Dominium Management | t Services, LLC | YEAR BU | ILT (AR) | LIHTC ALLOC | 4% or 9% | |
| Developer | Dominium Developmen | t and Acquisition, LLC | | | \$ 4,153,573 | 4% | |
| | | NC =New ConstructionAR =Acquisition/RehabAMI =Area Median IncomeMR =Market Rate apartments | | | | | |
| | G TRUST FUND (NMHTF) | | NO. OF NMHTF UNITS: 210 | | | 216 | |
| Funds Available as of: | 07/31/24 | \$3,620,000 | | | | | |
| | MFA Guidelines | Loan Request | | EXCEPT | IONS/CONDITIONS/I | NOTES | |
| Maximum Loan Amount | \$3,000,000 | \$3,000,000 | | - | ruction paid down to m financing | \$2M at | |
| Rates | 1.0% to 5.0% | 2.0% | Base rate | for 4% L | IHTC is 2.0% | | |
| Loan Fees | NA | NA | | | | | |
| Maximum Loan Term | 2 yr construct, 40 yr perm | 2 yr construct, 20 yr perm | | | | | |
| Loan Amortization | Mthly during perm | Mthly during perm | Payments | s based o | on 40 year amortizatio | on | |
| Lien Position | Subordinate allowed | 2nd lien position during perm period | Third lien | position | during construction | | |
| Affordability Requirements | Min 20 years, Max 60% AMI | 20 years, 216 units @ 60% AMI | | | | | |
| DSCR | 1.20 to 1.40 : 1.00 on all must-pay debt | | | - | delines at 1.18: 1:00 - 1.40 : 1:00 through | | |
| Scoring Criteria | | 59 | | | 0 | | |

| Project: Sandoval Flats | | Total | | Co | ost/GSF* |
|--|--------|------------|------|----|----------|
| Acquisition Costs (land, building acquisition, & other acquisition costs) | \$ | 2,950,000 | 3% | \$ | 10.26 |
| Construction Hard Costs | \$ | 44,381,208 | 51% | \$ | 154.39 |
| Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc) | \$ | 14,779,521 | 17% | \$ | 51.41 |
| Professional Services/Fees (architect, engineer, real estate legal, etc) | \$ | 2,918,554 | 3% | \$ | 10.15 |
| Construction Financing Costs (interest, insurance, inspections, fees, etc) | \$ | 9,179,888 | 10% | \$ | 31.93 |
| Permanent Financing Costs (fees, title/recording, etc) | \$ | 380,550 | 0% | \$ | 1.32 |
| Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc) | \$ | 783,572 | 1% | \$ | 2.73 |
| Syndication-Related Costs (organization, bridge loan, tax opinion, etc) | \$ | - | 0% | \$ | - |
| Reserves (rent-up, operating, replacement, escrows, etc) | \$ | 1,558,463 | 2% | \$ | 5.42 |
| Developer Fees (inc consultant fees) | \$ | 10,552,261 | 12% | \$ | 36.71 |
| Total Development Costs (TD | C) \$ | 87,484,017 | 100% | \$ | 304.33 |
| TDC w/o Land, Reserves & Commerc | ial \$ | 82,975,554 | 95% | \$ | 288.65 |

| | CONSTRUCTION SOURCES | | | | |
|------------------------------|---|----|------------|-------|---------------|
| Project: | Sandoval Flats | | Total | | Per Unit |
| Construct. Lender - 1st Lien | Barclays | \$ | 48,000,000 | 54.9% | \$ 222,222 |
| 2nd Lien holder | Greystone Housing Impact Investors | \$ | 16,954,321 | 19.4% | \$ 78,492 |
| 3rd Lien holder | MFA New Mexico Housing Trust Fund (NMHTF) | \$ | 3,000,000 | 3.4% | \$ 13,889 |
| Other Source | Colliers Securities | \$ | 4,000,000 | 4.6% | \$ 18,519 |

G:\Loan & Grant Programs\PROPERTIES\SANDOVAL FLATS 2022 & 2024 4%\4- Loans & Grants - MFA\8. Award Summaries & Award Letters\Sandoval Flats - Board Presentation Format.xlsx

| | То | tal Construction Sources | \$ 87,484,017 | 100.0% | \$ 405,019 |
|------------------------------|------------------|--------------------------|------------------|--------|---------------|
| LIHTC Equity | WNC & Associates | | \$ 14,618,445 | 16.7% | \$ 67,678 |
| 45L Energy Tax Credit Equity | WNC & Associates | | \$ 911,251 | 1.0% | \$ 4,219 |

| PERMANENT SOURCES | | | | | | | | |
|------------------------------|--|----|------------|------------|----|----------|--|--|
| Project: | Sandoval Flats | | Total | % of Total | | Per Unit | | |
| Perm. Lender - 1st Lien | Greystone Servicing Company | \$ | 27,020,000 | 30.9% | \$ | 125,093 | | |
| 2nd Lien holder | MFA New Mexico Housing Trust Fund (NMHTF) | \$ | 2,000,000 | 2.3% | \$ | 9,259 | | |
| Other Source | Colliers Securities | \$ | 4,000,000 | 4.6% | \$ | 18,519 | | |
| Other Source | Class B LP Equity (Developer Contribution) | \$ | 7,682,056 | 8.8% | \$ | 35,565 | | |
| Deferred Developer Fee | Dominium | \$ | 8,014,678 | 9.2% | \$ | 37,105 | | |
| 45L Energy Tax Credit Equity | WNC & Associates | \$ | 911,251 | 1.0% | \$ | 4,219 | | |
| LIHTC Equity | WNC & Associates | \$ | 37,856,032 | 43.3% | \$ | 175,259 | | |
| | Total Construction Sources | \$ | 87,484,017 | 100.0% | \$ | 405,019 | | |

| Appendix A: Development Cost Budget | | | | | | | |
|--|----|--------------------|----------|----------|--|--|--|
| Sandoval Flats | | Gross Sq. Footage: | | 287,461 | | | |
| Rio Rancho, NM | | TOTAL COST | | COST/GSF | | | |
| ACQUISITION COSTS | | TOTAL COST | | 2031/031 | | | |
| Land Acquisition | \$ | 2,950,000 | \$ | 10.26 | | | |
| Building Acquisition | Ŷ | 2,550,000 | \$ | | | | |
| Other: Closing/Title Costs | \$ | | \$ | | | | |
| SUBTOTAL | \$ | 2,950,000 | \$ | 10.26 | | | |
| CONSTRUCTION HARD COSTS | Ŷ | 2,350,000 | Ŷ | 10.20 | | | |
| Demolition | \$ | _ | \$ | <u> </u> | | | |
| Accessory Structures | \$ | | \$ | _ | | | |
| Site Construction | \$ | 4,778,286 | \$ | 16.62 | | | |
| Buildings and Structures | \$ | 39,602,922 | \$ | 137.77 | | | |
| Off-Site Improvements | \$ | - | \$ | - | | | |
| Other: | \$ | | \$ | | | | |
| SUBTOTAL | \$ | 44,381,208 | \$ | 154.39 | | | |
| | Ŷ | 44,301,200 | Ŷ | 134.33 | | | |
| Contractor Overhead | \$ | 887,624 | \$ | 3.09 | | | |
| Contractor Profit | \$ | 2,662,872 | \$ | 9.26 | | | |
| General Requirements | \$ | 2,662,872 | \$ | 9.26 | | | |
| Construction Contingency | \$ | 2,749,133 | \$ | 9.56 | | | |
| Gross Receipts Tax (GRT) | \$ | 3,806,246 | \$ | 13.24 | | | |
| Landscaping | Ş | 5,800,240 | ې \$ | 15.24 | | | |
| Furniture, Fixtures, & Equipment | \$ | 382,600 | ې \$ | 1.33 | | | |
| Other: Builder's Risk Insurance, P&P Bond, | ې | 382,000 | | 1.55 | | | |
| Building Permits | \$ | 1,628,173 | \$ | 5.66 | | | |
| SUBTOTAL | \$ | 14,779,521 | \$ | 51.41 | | | |
| PROFESSIONAL SERVICES/FEES | | | | | | | |
| Architect (Design) | \$ | 2,156,752 | \$ | 7.50 | | | |
| Architect (Supervision) | \$ | 229,063 | \$ | 0.80 | | | |
| Attorney (Real Estate) | \$ | 279,240 | \$ | 0.97 | | | |
| Engineer/Survey | \$ | 253,499 | \$ | 0.88 | | | |
| Other : | | | \$ | - | | | |
| SUBTOTAL | \$ | 2,918,554 | \$ | 10.15 | | | |
| CONSTRUCTION FINANCING | | | | | | | |
| Hazard Insurance | | | \$ | - | | | |
| Liability Insurance | \$ | 581,838 | \$ | 2.02 | | | |
| Performance Bond | \$ | - | \$ | - | | | |
| Interest | \$ | 6,678,066 | , \$ | 23.23 | | | |
| Origination\Discount Points | \$ | 571,157 | \$ | 1.99 | | | |
| Credit Enhancement | \$ | - | \$ | - | | | |
| Inspection Fees | \$ | 81,060 | , \$ | 0.28 | | | |
| Title and Recording | \$ | 249,135 | , \$ | 0.87 | | | |
| | | | | | | | |
| Legal | \$ | 285,000 | \$ | 0.99 | | | |
| - | \$ | 285,000 | \$ \$ | 0.99 | | | |

| SUBTOTAL | \$ | 9,179,888 | \$ | 31.93 | | | | |
|--|---------|------------|----|--------|--|--|--|--|
| Project: Sandoval Flats | | | | | | | | |
| PERMANENT FINANCING COSTS | | | | | | | | |
| Bond Premium | | | \$ | - | | | | |
| Credit Report | | | ÷ | _ | | | | |
| Origination\Discount Points | \$ | 67,550 | \$ | 0.23 | | | | |
| Credit Enhancement | \$ | - | \$ | - | | | | |
| Title and Recording | \$ | _ | \$ | - | | | | |
| Legal | , \$ | 265,000 | \$ | 0.92 | | | | |
| Cost of Bond Issuance | \$ | 48,000 | | | | | | |
| Pre-Paid MIP | | , | \$ | - | | | | |
| Reserves and Escrows | | | \$ | - | | | | |
| Other: | \$ | - | \$ | - | | | | |
| SUBTOTAL | \$ | 380,550 | \$ | 1.16 | | | | |
| SOFT COSTS | - | | | | | | | |
| Market Study | \$ | 15,000 | \$ | 0.05 | | | | |
| Environmental | \$ | 21,000 | \$ | 0.07 | | | | |
| Tax Credit Fees | \$ | 612,432 | \$ | 2.13 | | | | |
| Appraisal | \$ | 12,500 | \$ | 0.04 | | | | |
| Hard Relocation Costs | \$ | - | \$ | - | | | | |
| Accounting/Cost Certification | \$ | 16,000 | \$ | 0.06 | | | | |
| Other: Soft Cost Contingency, Constr. Mngm | \$ | 106,640 | \$ | 0.37 | | | | |
| SUBTOTAL | \$ | 783,572 | \$ | 2.73 | | | | |
| SYNDICATION | | | | | | | | |
| Organization | | | \$ | - | | | | |
| Bridge Loan | | | \$ | - | | | | |
| Tax Opinion | | | \$ | - | | | | |
| Other: | \$ | - | \$ | - | | | | |
| SUBTOTAL | \$ | - | \$ | - | | | | |
| TDC before Dev. Fees & Reserves | \$ | 75,373,293 | \$ | 262 | | | | |
| RESERVES | | | | | | | | |
| Rent Up | \$ | 108,000 | \$ | 0.38 | | | | |
| Operating | \$ | 1,450,463 | \$ | 5.05 | | | | |
| Replacement (inc. only if capitalized) | | | \$ | - | | | | |
| Escrows/Working Capital | | | \$ | - | | | | |
| Other: | \$ | - | \$ | - | | | | |
| SUBTOTAL | \$ | 1,558,463 | \$ | 5.42 | | | | |
| DEVELOPER FEES | | | | | | | | |
| Developer Fee | \$ | 10,552,261 | \$ | 36.71 | | | | |
| Consultant Fee | | | | | | | | |
| Relocation Consultant | | | \$ | - | | | | |
| SUBTOTAL | \$ | 10,552,261 | \$ | 36.71 | | | | |
| Total Development Cost (TDC) | \$ | 87,484,017 | \$ | 304.17 | | | | |
| TDC w/o Land, Reserves & Commercial | \$ | 82,975,554 | \$ | 288.48 | | | | |
| | | | | | | | | |

2024 RENTAL AWARD SUMMARY

| Project Name & Address | Mariposa Apartments 201 Mariposa Place, Town of Taos, Taos County, NM 87571 |
|---------------------------|--|
| Proposed Award | \$2,000,000 New Mexico Housing Trust Fund (NMHTF) Rate 2.0% Fixed |
| Borrowers | Mariposa Taos CIC, LLLP, a New Mexico limited liability limited partnership (LLLP) created and owned by The Richman Group (99.99%), as Limited Partner; CC Mariposa Taos, LLC (0.0051%), a New Mexico limited liability company, as Co-General Partner; and CIC Mariposa Taos, LLC (0.0049%), a New Mexico limited liability company, as Managing General Partner. |
| Management | Monarch Properties, Inc. (Monarch) currently manages Mariposa Apartments and will remain the management company. Monarch is a privately held Texas corporation chartered in 1982 and headquartered in Albuquerque. They provide full-service management of over 8,400 multifamily apartment units throughout Texas, New Mexico, and Oklahoma. |
| Developers | Chelsea Investment Corporation (Chelsea) is a for-profit real estate company incorporated in 1986 by James J. Schmid, its CEO. Chelsea is focused on the financing and development of affordable housing through its asset management, construction, and community investment affiliates. To date, the company has developed 135 affordable communities throughout California, New Mexico, and Arizona and over 12,000 units throughout the western United States, including but not limited to senior, rural, and special needs housing. |
| | Chelsea's CPA audited consolidated (i.e. includes affiliates) financial statements for FYE 12/31/22 show unrestricted cash of \$4.7M, total assets of \$32M, a net worth of \$22M, a debt-to-worth ratio of 0.43 to 1.00, and a net income of \$926K. Chelsea's CPA audited consolidated financial statements for FYE 12/31/23 show unrestricted cash of \$6.4M, total assets of \$34M, a net worth of \$31M, a debt-to-worth ratio of 0.08 to 1.00, and a net income of \$9.4M. Chelsea's internally prepared interim financial statements ending 5/31/24 show unrestricted cash of \$6.1M, total assets of \$33.9M, a net worth of \$33.1M, a debt-to-worth ratio of 0.02 to 1.00, and a net income of \$363K. |
| | CC Housing, Inc. , (CC Housing) is a New Mexico non-profit 501(c)(3) formed in 2016 as the affordable housing development arm of Catholic Charities, its parent organization. In partnership with other developers, this up-and-coming developer has built or is actively building six affordable housing projects consisting of 430 units across New Mexico. CC Housing also provides a broad spectrum of services to the residents of four affordable housing projects across New Mexico. |
| | Catholic Charities CPA audited consolidated financial statements for FYE 6/30/22 show unrestricted cash of \$1.4M, total assets of \$17.2M, a net worth of \$8.0M, a debt-to-worth ratio is 1.15 to 1.00 and net income of \$2.0M. Catholic Charities CPA audited consolidated financial statements for FYE 6/30/23 show unrestricted cash of \$434K, total assets of \$15.6M, a net worth of \$7.7M a debt-to-worth ratio is 1.03 to 1.00 and net income of \$2.0M. CC Housing's internally prepared interim financial statements ending 3/31/24 show unrestricted cash of \$167K, total assets of \$4.5M, a net worth of \$1.3M, a debt-to-worth ratio of 2.20 to 1.00, and a net income of \$57K. |
| Project Type & Size | Acquisition and Rehabilitation of 51 units and New Construction of 6 units as part of the same multifamily rental development. 15 units (25% of the project) will serve households with children. 22 units will be income restricted to households earning 60% or less of Area Median Income (AMI), 30 units will be income restricted to households earning 50% of less of AMI, and five units will be income-restricted to households earning 30% or less of AMI. |
| Project Description | Mariposa Apartments is a recipient of a 2021 9% LIHTC allocation, a \$400,000 NHTF loan, and a \$400,000 HOME loan as awarded by Housing New Mexico's/MFA's Board of Directors in May 2021. In June 2022, Housing New Mexico's/MFA's Board of Directors awarded a HOME loan increase in the amount of \$600,000 to the project, for a total HOME loan to the project of \$1,000,000 due to cost increases related to the COVID-19 pandemic. The project has experienced delays in its loan closing process with USDA spanning two years, resulting in closing delays for all other financing. The developers recently received increased cost estimates that put the project in jeopardy of becoming infeasible. This NMHTF loan award would help fill that gap and allow the project to remain financially feasible. Even after the developer value-engineered the project's design and materials used, the total development cost is approximately \$3.2 million over the project's budget at the time of Housing New Mexico's/MFA's Board of Directors meeting in June 2022. The largest cost increases include: \$972K in additional hard construction costs \$983K in additional construction financing costs \$261K in hard relocation costs |

| | · · · · · · · · · · · · · · · · · · · |
|--|---|
| | \$756K in additional reserves required by USDA |
| | Mariposa Apartments consists of the rehabilitation of four existing, two-story residential buildings, the new construction of one residential building, and the new construction of a community building. After construction is complete, the total gross square footage of the project will be approximately 58,245 square feet. The project will consist of 12 one-bedroom units, each at around 626 square feet, 39 two-bedroom units, each at around 800 square feet, and 6 three-bedroom units, each at around 1,040 square feet. |
| | Mariposa Apartments was built in 1983 and suffers from both physical and functional obsolescence due to the project's age. Rehabilitation of the residential buildings will include replacement of water- heater equipment, windows, and exterior stairs, along with the repairing and recoating of all of the roofs and stucco exteriors. Inside of each unit, the cabinets and vanities, countertops, appliances, flooring, interior doors, and plumbing and light fixtures will be replaced. |
| | The newly constructed community building will house a management office, a Social Service Coordinator office, a computer center, a kitchenette, restrooms, a central laundry area, and a community room. In this building, bi-monthly classes for residents will be provided to include health and nutrition education, CPR training, job training, after school tutoring, youth character building, and other classes. The community building will also host lunch programs, food resource programs, and after-school snack programs. |
| | Throughout the site, drainage and exterior site lighting will be improved, damaged sidewalks will be replaced, and asphalt will be patched. Access to the laundry facility, mailbox center, and other common areas will be made ADA compliant. New bicycle racks, a new basketball court, and a new age specific playground will also be installed. |
| | The market study completed by Kinetic Valuation Group and dated January 13, 2021, defines Mariposa Apartment's Primary Market Area as the entirety of Taos County. The project site is located on 7.58 acres in a residential neighborhood. It is within a one-mile radius of shopping centers, grocery stores, banks, Taos High School, places of worship, Kit Carson Park, and restaurants. |
| | The Kinetic Valuation Group market study advises that Mariposa Apartments is feasible as presented. Its demand analysis states that Mariposa Apartment's capture rate is 1.1%, which is considered very low and indicative of a deep base of potential support for the project. The analysis expects the project will be fully absorbed in less than one year. |
| Environmental & Site | A Phase I Environmental Site Assessment was completed for the subject property on April 7, 2022, by Saguaro Environmental Management, LLC. No Recognized Environmental Conditions (RECs) were identified in connection with the site. |
| Project Financials, Projections and Assumptions | This project was underwritten utilizing Housing New Mexico's/MFA's standard 7% vacancy rate, which is considered conservative due to the low vacancy rates at nearby affordable housing properties. However, the market study suggests a vacancy rate below 5%. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$826,864. The developer estimates \$270,374 in total operating expenses less reserves and social services (i.e., \$ 4,743 per unit per year), which is within Housing New Mexico's/MFA's standard underwriting range of \$4,300 to \$5,800. |
| | The project's Debt Service Coverage Ratio (DSCR) starts at 1.11 to 1.00 in year one, increasing to 1.34 to 1.00 in year 15. This ratio starts below Housing New Mexico's/MFA's underwriting standards of a range between $1.20 - 1.40$ to 1:00 for year 1, trends upwards and falls within that range starting in year 7 and continuing through year 15 of operation. |
| | The interest rate for Rocky Mountain Community Reinvestment Corporation's first mortgage loan is assumed to be 7.60% (7.10% 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 Chelsea. However, closing is anticipated within the next six months and a rate fluctuation is unlikely. |
| | Currently, it appears that 54% (\$646,813) of the \$1,197,000 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. |

| Affordability Requirements | 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 10. Based on the investor's letter of interest, the project is currently underwritten using a credit price of 88 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 \$107K in deferred developer fee or cash flow loan from Chelsea. NMHTF: Fifty-seven (57) units income-restricted to households earning 60% or less of Area Median Income (AMI) for which a Land Use Restriction Agreement (LURA) will be filed in Taos County. The NMHTF affordability period is 40 years; 20 as required by Affordable Housing Act Rules and 20 for Housing New Mexico's/MFA's extended affordability period (i.e., in concurrence with the loan term) |
|---|---|
| Repayment and Disbursement | and starts on the date the Certificate of Occupancy is issued. NMHTF: Payments: 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. Disbursement: Multiple disbursements upon evidence of costs incurred, not more frequently than |
| Special Conditions | 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; Financing commitments acceptable to MFA prior to disbursing all funding sources; Acceptance of 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. |
| | Loan to be in fifth lien position; and Chelsea Investment Corporation must provide a guarantee during the construction period. |
| Housing New Mexico/MFA Commitments to Other Projects | Chelsea Investment Corporation2012 HOME – Casa Hermosa Apartments (aka Park Place) – \$535,0882012 Primero Grant – Casa Hermosa Apartments (aka Park Place) – \$75,0002013 9% Tax Credit – Casa Hermosa Apartments (aka Park Place) – \$896,5122013 Primero Grant – Cottonwood Apartments Artesia – \$50,0002014 Primero Grant – The Elms Apartments – \$50,0002015 9% Tax Credit – Parkside Terrace – \$1,087,9362015 9% Tax Credit – Parkside Terrace – \$1,087,9362015 9% Tax Credit – Roselawn Manor – \$1,150,0002015 19% Tax Credit – Roselawn Manor – \$1,038,6482018 9% Tax Credit – Mission la Posada – \$800,0002018 HOME – Mission la Posada – \$1,272,0002019 9% Tax Credit – Sunray Lobo Canyon – \$1,232,3332019 NHTF – Sunray Lobo Canyon – \$399,0002020 9% Tax Credit – Encantada Apartments – \$633,6302020 HOME – Encantada Apartments – \$393,6172020 NHTF – Encantada Apartments – \$399,0002021 9% Tax Credit - Belen Vista- \$1,000,0002021 9% Tax Credit - Sunray Lobo Canyon – \$328,04172020 NHTF – Belen Vista- \$1,000,0002021 9% Tax Credit – Encantada Apartments – \$393,6172020 NHTF – Belen Vista- \$1,000,0002021 9% Tax Credit - Busia \$1,000,0002021 9% Tax Credit - Sunray Lobo Canyon – \$328,0202021 9% Tax Credit - Belen Vista- \$1,000,0002021 9% Tax Credit - Belen Vista- \$1,000,0002021 9% Tax Credit - Belen Vista- \$1,000,0002021 9% Tax Credit - Mariposa- \$801,704 |

| | 2021 HOME- Mariposa- \$1,000,000 |
|--------------|---|
| | 2021 NHTF- Mariposa- \$400,000 |
| | 2022 9% Tax Credit- Felician Villa- \$1,228,760 |
| | 2021 HOME- Mariposa- \$1,000,000 |
| | 2021 NHTF- Mariposa- \$400,000 |
| | 2022 9% Tax Credit- Felician Villa- \$1,228,760 |
| | 2022 HOME- Felician Villa- \$1,000,000 |
| | 2022 NHTF- Felician Villa- \$400,000 |
| | 2023- ARPA-FRF- Felician Villa- \$2,800,000 |
| | 2022 9% Tax Credit- Three Sisters- \$1,341,912 |
| | 2022 HOME- Three Sisters- \$1,000,000 |
| | 2022 NHTF- Three Sisters- \$400,000 |
| | 2022 NMHTF- Three Sisters- \$3,500,000 |
| | 2023 LIHTC- Felician Villa II – \$1,621,723 |
| | 2023 HOME- Felician Villa II- \$1,000,000 |
| | 2023 NHTF- Felician Villa II- \$400,000 |
| | 2023 CSLFRF- Felician Villa II- \$1,250,000 |
| | |
| | CC Housing, Inc. |
| | 2017 9% Tax Credit – Generations at West Mesa – \$674,999 |
| | 2017 NMHTF – Generations at West Mesa – \$456,300 |
| | 2017 NHTF – Generations at West Mesa – \$398,000 |
| | 2019 9% Tax Credit – Sunray Lobo Canyon – \$1,232,333 |
| | 2019 HOME – Sunray Lobo Canyon – \$388,085 |
| | 2019 NHTF – Sunray Lobo Canyon – \$399,000 |
| | 2020 9% Tax Credit – Encantada Apartments – \$633,630 |
| | 2020 HOME – Encantada Apartments – \$393,617 |
| | 2020 NHTF – Encantada Apartments – \$399,000 |
| | 2021 9% Tax Credit- Belen Vista- \$787,639 |
| | 2021 HOME- Belen Vista- \$1,000,000 |
| | 2021 NHTF- Belen Vista- \$400,000 |
| | 2021 9% Tax Credit- Mariposa- \$801,704 |
| | 2021 HOME- Mariposa- \$1,000,000 |
| | 2021 NHTF- Mariposa- \$400,000 |
| | 2022 9% Tax Credit- Felician Villa- \$1,228,760 |
| | 2022 HOME- Felician Villa- \$1,000,000 |
| | 2022 NHTF- Felician Villa- \$400,000 |
| | |
| | 2023- ARPA-FRF- Felician Villa- \$2,800,000 |
| | 2022 9% Tax Credit- Three Sisters- \$1,341,912 |
| | 2022 HOME- Three Sisters- \$1,000,000 |
| | 2022 NHTF- Three Sisters- \$400,000 |
| | 2022 NMHTF- Three Sisters- \$3,500,000 |
| | 2023 LIHTC- Felician Villa II – \$1,621,723 |
| | 2023 HOME- Felician Villa II- \$1,000,000 |
| | 2023 NHTF- Felician Villa II- \$400,000 |
| | 2023 CSLFRF- Felician Villa II- \$1,250,000 |
| | ⁽¹⁾ Risk Share loans carry 10% Housing New Mexico/MFA risk |
| | ⁽²⁾ Bonds are non-recourse to Housing New Mexico/MFA |
| | ⁽³⁾ Loan Balances as of 7/30/2024 |
| Housing New | \$20,532,237 (excludes LIHTC, grants, and loans pending approval) |
| Mexico/MFA | |
| Exposure | |
| Risk Factors | 1. Market – Low (strong demand for proposed property in PMA) |
| | 2. Construction – Medium (construction material pricing remains high; however, the |
| | |
| | developer is experienced plus the investor and main construction lender will provide |
| | additional oversight and controls) |
| | 3. Developer – Low |
| | 4. Guarantor – Low |
| | 5. General Partner/Managing Member – Low (i.e. the developer) |
| | 6. Community Opposition – Low (existing project, low vacancy) |
| | |

| 7. Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. Final underwriting is required before loan closing to ensure viability before final commitment) |
|--|
| The proposed project presents a favorable risk profile and is recommended for approval. |
| Justin Carmona, Development Loan Manager Date 8/6/24 |
| George Maestas, Director of Housing Development |
| - |

| PRO | DJECT INFORMATION SUMMAR | Y | | | | | | |
|-------------------------------|---|---|---|---|--|---|--------------|--------------|
| ne | City | NC, AR, or | Total # | ι | Jnit Sizes | Target AMIs | | |
| ments | Town of Taos | NC/AR | Onits | | | | | |
| \$ 19,034,604 | | NC/AR | NC/AR 57 1-B | | 57 1-BED, 2-BE | | ED, 2-BED, & | 30% AMI, 50% |
| Mariposa Taos CIC, LLLF | | | 3-BED | AMI, 60% AMI | | | | |
| Monarch Properties, Inc | • | YEAR BUILT (AR) LIHTC ALLOC 4% or 9% | | | | | | |
| Chelsea Investment Cor | poration & | 198 | 83 | \$ | 1,069,704 | 9% | | |
| CC Housing, Inc. | | | | | | | | |
| | | NC = | New Cons | tructior | ı | | | |
| | | AR = | Acquisitio | n/Rehal | b | | | |
| | | AMI = | Area Medi | an Inco | me | | | |
| | | MR = | Market Ra | te apart | tments | | | |
| UST FUND (NMHTF) RENT | TAL LOAN INFORMATION | NUI | MBER OF | NMHT | FUNITS: | 57 | | |
| 07/31/24 | \$3,620,000 | | | | | | | |
| MFA Guidelines | Loan Request | | EXCEPT | IONS/ | CONDITIONS/N | NOTES | | |
| \$3,000,000 | \$2,000,000 | Max NMH | ITF perm | loan a | mount | | | |
| 0.0% to 5.0% | 2.0% | | | r 9% L | IHTC, discounte | ed by 1% for | | |
| N/A | None | | | | | | | |
| 2 yr construct, 40 yr perm | 40 yr perm | | | | | | | |
| Mthly during perm | Mthly during perm | | | | | | | |
| Subordinate allowed | 5th lien | | | | | | | |
| Min 20 years, Max 60% | 40 yrs, 60% AMI | | | | | | | |
| | | DSCR is 1 | 11.1 in v | /ear 1 | trends up and | remains below | | |
| 1.20 to 1.40 : 1 on all | 1 11.1 increasing to 1 34.1 by | | - | | | | | |
| 1.20 to 1.40.1011 att | 1.11.1 moreusing to 1.04.1 by | | | | | | | |
| must-nav debt | vear 15 | vear 7 an | d trende i | Inwar | de and talle with | 10^{1} | | |
| must-pay debt | year 15 | year 7 an 1:40:1 rai | | | ds and falls with or 15 | nin 1:20:1 to | | |
| | me ments 19,034,604 Mariposa Taos CIC, LLLF Monarch Properties, Inc Chelsea Investment Cor CC Housing, Inc. UST FUND (NMHTF) RENT 07/31/24 MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed Min 20 years, Max 60% AMI | ne City ments Town of Taos \$ 19,034,604 Mariposa Taos CIC, LLLP Monarch Properties, Inc. Chelsea Investment Corporation & CC Housing, Inc. UST FUND (NMHTF) RENTATION & CC Housing, Inc. UST FUND (NMHTF) RENTATION INFORMATION 07/31/24 \$3,620,000 MFA Guidelines Loan Request \$3,000,000 \$2,000,000 0.0% to 5.0% 2.0% N/A None 2 yr construct, 40 yr perm 40 yr perm perm Mthly during perm Mthly during perm Mthly during perm Subordinate allowed 5th lien Min 20 years, Max 60% AMI | neCityNC, AR, ormentsTown of TaosNC/AR\$ 19,034,604NC/ARMariposa Taos CIC, LLLPNC/ARMonarch Properties, Inc.YEAR BUChelsea Investment Corporation & CC Housing, Inc.NC = AR = AMI = MR =UST FUND (NMHTF) RENTAL LOAN INFORMATION 07/31/24NC = AR = AMI = MR =UST FUND (NMHTF) RENTAL LOAN INFORMATION 07/31/24NUI0.0% to 5.0%2.000,000Max NMH Base rate rural projN/ANoneBase rate rural projN/ANoneEndet Autil and base rate rural projN/ANoneEndet Autil and base rate rural projMthly during permMthly during permMthly during permMthly during permMthly during permEndet Autil and base rate rural projMthly during permMthly during permMthly during permMthly during permMthly during permEndet AutilMin 20 years, Max 60% AMI40 yrs, 60% AMIEndet DSCR is the function of the function | neCityNC, AR, or orTotal # UnitsmentsTown of TaosNC/ARUnits\$ 19,034,604NC/ARS7Mariposa Taos CIC, LLLPNC/AR57Monarch Properties, Inc.YEAR BUILT (AR)Chelsea Investment Corporation & CC Housing, Inc.1983CC Housing, Inc.NC = New Cons AR = Acquisitio AMI = Area Medi MR = Market RaUST FUND (NMHTF) RENTAL LOAN INFORMATION 07/31/24NUMBER OF07/31/24\$3,620,000MFA GuidelinesLoan Request\$3,000,000\$2,000,000MAX NMHTF perm Base rate of 3% fo rural projectN/ANone2 yr construct, 40 yr perm40 yr permMthly during perm40 yrs, 60% AMIMin 20 years, Max 60% AMI40 yrs, 60% AMIDSCR is 1.11:1 in yr | neCity or NC/AR STotal # UnitsTotal # UnitsmentsTown of TaosNC/ARTotal # UnitsInits\$ 19,034,604NC/ARS71-BMariposa Taos CIC, LLLPNC/AR571-BMonarch Properties, Inc.YEAR BUILT (AR)LIChelsea Investment Corporation & CC Housing, Inc.1983\$CC Housing, Inc.NC = New Construction AR = Acquisition/Rehal AMI = Area Median Inco MR =NC = Market Rate apart Market Rate apartUST FUND (NMHTF) RENTAL LOAN INFORMATION 07/31/24NUMBER OF NMHT Market Rate apart0.0% to 5.0%2.000,000Max NMHTF perm Ioan a Base rate of 3% for 9% L rural projectN/ANone2 yr construct, 40 yr perm40 yr permMthly during permMthly during permMthly during permMthly during permMthly during permSUbordinate allowedMin 20 years, Max 60% AMI40 yrs, 60% AMIDSCR is 1.11:1 in year 1, | neCityNC, AR, or orTotal # UnitsUnit SizesmentsTown of TaosNC/ARTotal # UnitsUnit Sizes\$ 19,034,604NC/AR571-BED, 2-BED, & 3-BEDMariposa Taos CIC, LLLPYEAR BUILT (AR)LIHTC ALLOCMonarch Properties, Inc.YEAR BUILT (AR)LIHTC ALLOCChelsea Investment Corporation & CC Housing, Inc.1983\$ 1,069,704CC Housing, Inc.NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartmentsUST FUND (NMHTF) RENTAL LOAN INFORMATION 07/31/24NUMBER OF NMHTF UNITS:07/31/24\$3,620,000MFA GuidelinesLoan Request0.0% to 5.0%2.0%0.0% to 5.0%2.0%N/ANone2 yr construct, 40 yr perm40 yr permMthly during permMthly AMI40 yrs, 60% AMIMin 20 years, Max 60% AMI40 yrs, 60% AMI | | |

| Page 129 of 182 | Page | 129 | of | 182 |
|-----------------|------|-----|----|-----|
|-----------------|------|-----|----|-----|

| TOTAL DEVELOPMENT COST INFORMATION SUMMARY | | | | | | | | |
|--|--------------|------------|--------------|-----------|--------|--|--|--|
| Project: Mariposa Apartments | | Total | % TDC | Cost/GSF* | | | | |
| Acquisition Costs (land, building acquisition, & other acquisition costs) | \$ | 2,835,669 | 15% | \$ | 48.69 | | | |
| Construction Hard Costs | \$ | 7,821,225 | 41% | \$ | 134.28 | | | |
| Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc) | \$ | 2,958,194 | 16% | \$ | 50.79 | | | |
| Professional Services/Fees (architect, engineer, real estate legal, etc) | \$ | 319,465 | 2% | \$ | 5.48 | | | |
| Construction Financing Costs (interest, insurance, inspections, fees, etc) | \$ | 1,807,664 | 9% | \$ | 31.04 | | | |
| Permanent Financing Costs (fees, title/recording, etc) | \$ | 44,110 | 0% | \$ | 0.76 | | | |
| Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc) | \$ | 937,243 | 5% | \$ | 16.09 | | | |
| Syndication-Related Costs (organization, bridge loan, tax opinion, etc) | \$ | - | 0.0% | \$ | - | | | |
| Reserves (rent-up, operating, replacement, escrows, etc) | \$ | 1,114,034 | 6% | \$ | 19.13 | | | |
| Developer Fees (inc consultant fees) | \$ | 1,197,000 | 6% | \$ | 20.55 | | | |
| Total Development Costs (TDC | C) \$ | 19,034,604 | 100 % | \$ | 326.80 | | | |
| TDC w/o Land, Reserves & Commerci | al \$ | 17,560,570 | 92 % | \$ | 301.49 | | | |

| CONSTRUCTION SOURCES | | | | | | | |
|------------------------|------------------------------|----|------------|------------|----|------------|--|
| Project: | Mariposa Apartments | | Total | % of Total | | Per Unit | |
| Construct. Lender | KeyBank | \$ | 12,272,199 | 64.5% | \$ | 215,301.74 | |
| 2nd Lien Holder | USDA/RHS Loan | \$ | 1,325,778 | 7.0% | \$ | 23,259.26 | |
| 3rd Lien Holder | MFA/HOME | \$ | 900,000 | 4.7% | \$ | 15,789.47 | |
| 4th Lien Holder | MFA/NHTF | \$ | 360,000 | 1.9% | \$ | 6,315.79 | |
| 5th Lien Holder | MFA/NMHTF | \$ | 2,000,000 | 10.5% | \$ | 35,087.72 | |
| Other | Chelsea/Transfer of Reserves | \$ | 588,569 | 3.1% | \$ | 10,325.77 | |
| Deferred Developer Fee | Chelsea & CC Housing | \$ | 646,813 | 3.4% | \$ | 11,347.60 | |
| LIHTC Equity | The Richman Group | \$ | 941,245 | 4.9% | \$ | 16,513.07 | |
| | Total Construction Sources | \$ | 19,034,604 | 100.0% | \$ | 333,940.42 | |

| PERMANENT SOURCES | | | | | | | |
|-----------------------------|--|----|------------|------------|----|------------|--|
| Project: | Mariposa Apartments | | Total | % of Total | | Per Unit | |
| Permanent Lender - 1st Lien | Rocky Mountain Community Reinvest. Corp. | \$ | 3,660,990 | 19.2% | \$ | 64,227.89 | |
| 2nd Lien Holder | USDA/RHS Loan | \$ | 1,325,778 | 7.0% | \$ | 23,259.26 | |
| 3rd Lien Holder | MFA/HOME | \$ | 1,000,000 | 5.3% | \$ | 17,543.86 | |
| 4th Lien Holder | MFA/NHTF | \$ | 400,000 | 2.1% | \$ | 7,017.54 | |
| 5th Lien Holder | MFA/NMHTF | \$ | 2,000,000 | 10.5% | \$ | 35,087.72 | |
| Other | Chelsea/Transfer of Reserves | \$ | 588,569 | 3.1% | \$ | 10,325.77 | |
| Deferred Developer Fee | Chelsea & CC Housing | \$ | 646,813 | 3.4% | \$ | 11,347.60 | |
| LIHTC Equity | The Richman Group | \$ | 9,412,454 | 49.4% | \$ | 165,130.77 | |
| | Total Permanent Sources | \$ | 19,034,604 | 100.0% | \$ | 333,940.42 | |

| Development Cost Budget | | | | | | |
|---|---------|------------------------------|----------|--------------------------------|--------------------|------------------------------------|
| Mariposa Apartments | Devel | opment cost bud | get | | | |
| Town of Taos | | OTAL COST /ious Approval) | 10 | TOTAL COST Current Request) | | OST DIFFERENCE urrent-Previous) |
| ACQUISITION COSTS | | | | | | |
| Land Acquisition | \$ | 360,000 | \$ | 360,000 | \$ | _ |
| Building Acquisition | \$ | 1,610,110 | \$ | 414,222 | \$ | (1,195,888) |
| Other: Assumption of USDA Loan, Purchas | _ | ,, - | | , | | (|
| of Reserves, Commision | \$ | 686,954 | \$ | 2,061,447 | \$ | 1,374,493 |
| SUBTOTAL | \$ | 2,657,064 | \$ | 2,835,669 | \$ | 178,605 |
| CONSTRUCTION HARD COSTS | | | | | | |
| Demolition | \$ | 241,411 | \$ | - | \$ | (241,411) |
| Accessory Structures | \$ | - | \$ | - | \$ | - |
| Site Construction | \$ | 960,227 | \$ | 1,628,794 | \$ | 668,567 |
| Buildings and Structures | \$ | 5,799,253 | \$ | 6,192,431 | \$ | 393,178 |
| Off-Site Improvements | \$ | - | \$ | - | \$ | - |
| Other: | \$ | _ | \$ | - | \$ | - |
| SUBTOTAL | \$ | 7,000,891 | \$ | 7,821,225 | \$ | 820,334 |
| OTHER CONSTRUCTION COSTS | | | | | | |
| Contractor Overhead | \$ | _ | \$ | 156,319 | \$ | 156,319 |
| Contractor Profit | \$ | 559,784 | \$ | 469,268 | \$ | (90,516) |
| General Requirements | \$ | 419,763 | \$ | 468,855 | \$ | 49,092 |
| Construction Contingency | \$ | 888,834 | \$ | 996,367 | \$ | 107,533 |
| Gross Receipts Tax (GRT) | \$ | 715,618 | \$ | 837,385 | \$ | 121,767 |
| Landscaping | \$ | - | \$ | - | \$ | - |
| Furniture, Fixtures, & Equipment | \$ | 30,000 | \$ | 30,000 | \$ | - |
| Other: Bond Insurance | \$ | 192,287 | \$ | - | \$ | (192,287) |
| SUBTOTAL | \$ | 2,806,286 | | 2,958,194 | \$ | 151,908 |
| PROFESSIONAL SERVICES/FEES | | | <u> </u> | | Ŧ | |
| Architect (Design) | \$ | 301,553 | \$ | 301,553 | \$ | - |
| Architect (Supervision) | \$ | - | \$ | - | \$ | _ |
| Attorney (Real Estate) | \$ | _ | \$ | - | \$ | _ |
| Engineer/Survey | \$ | 17,912 | \$ | 17,912 | \$ | _ |
| Other : | \$ | - | \$ | - | \$ | - |
| SUBTOTAL | \$ | 319,465 | \$ | 319,465 | \$ | _ |
| CONSTRUCTION FINANCING COSTS | · * | 515,405 | I Ý | 515,405 | Ŷ | |
| Hazard Insurance | \$ | 40,000 | \$ | 40,000 | \$ | |
| Liability Insurance | \$ | | ې \$ | 131,140 | ې \$ | - 131,140 |
| Performance Bond | \$ | _ | \$ | 79,482 | \$ \$ | 79,482 |
| Interest | φ \$ | 368,884 | ې \$ | 1,106,023 | ې \$ | 737,139 |
| Origination\Discount Points | φ \$ | 103,678 | \$ | 131,519 | \$ \$ | 27,841 |
| Credit Enhancement | \$ | - | ې \$ | - | ې \$ | |
| Inspection Fees | \$ | 60,000 | \$ | 30,000 | \$ \$ | (30,000) |
| Title and Recording | φ \$ | 60,000 | ې \$ | 60,000 | ې \$ | (30,000) |
| Legal | \$ | 60,000 | \$ | 165,000 | ې \$ | 105,000 |
| Taxes | \$ | 7,500 | \$ | 7,500 | \$ | - |
| Other: Construct. Mgmt. & Monitoring | \$ | 125,000 | \$ | 57,000 | \$ | (68,000) |
| SUBTOTAL | \$ | 825,062 | \$ | 1,807,664 | ب \$ | 982,602 |

| Gross Sq. Footage | Gross Sq. Footage |
|--------------------------------------|----------------------------|
| (Previous Approval) | (Current Request) |
| 58,245 | 58,245 |
| Cost/GSF | COST/GSF |
| (Previous Approval) | (Current Request) |
| 4 | |
| \$ 6.18 | \$ 6.18 |
| \$ 27.64 | \$ 7.11 |
| \$ 11.79 | \$ 35.39 |
| \$ 45.62 | \$ 48.69 |
| | |
| \$ 4.14 | \$- |
| | \$- |
| \$ 16.49 | \$ 27.96 |
| \$ 99.57 | \$ 106.32 |
| \$ - \$ 16.49 \$ 99.57 \$ - | \$- |
| \$- | \$- |
| \$ 120.20 | \$ 134.28 |
| | |
| \$- | \$ 2.68 |
| | \$ 8.06 |
| \$ 9.61 \$ 7.21 | \$ 8.05 |
| \$ 15.26 | \$ 17.11 |
| \$ 15.26 \$ 12.29 \$ - | \$ 14.38 |
| \$ - | \$ - |
| \$ 0.52 | \$ 0.52 |
| \$ 3.30 | \$ - |
| \$ 48.18 | \$ 50.79 |
| • • • • | |
| \$ 5.18 | \$ 5.18 |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ 0.31 | \$ 0.31 |
| \$ - | \$ - |
| \$ | \$ 5.48 |
| - 5.40 | ÷ 5.+0 |
| \$ 0.69 | \$ 0.69 |
| ۶ 0.09 د | \$ 0.69 \$ 2.25 |
| - - | \$ 2.25 \$ 1.36 |
| \$ - \$ 6.33 | \$ 18.99 |
| \$ - \$ - \$ 6.33 \$ 1.78 | \$ <u>18.99</u> \$ 2.26 |
| ب <u>1.78</u> ذ | \$ <u>2.20</u> |
| \$ - \$ 1.03 | \$ |
| | |
| \$ 1.03 \$ 1.03 | \$ 1.03 \$ 2.83 |
| \$ 1.03 \$ 0.12 | |
| \$ 1.03 \$ 0.13 \$ 2.15 | |
| | \$ 0.98 |
| \$ 14.17 | \$ 31.04 |

| Project: Mariposa Apartments | | | |
|---|------------------|------------------|-----------------|
| PERMANENT FINANCING COSTS | | | |
| Bond Premium | \$ - | \$ - | \$ - |
| Credit Report | \$ - | \$ - | \$ - |
| Origination\Discount Points | \$ 15,000 | \$ 36,610 | \$ 21,610 |
| Credit Enhancement | \$ - | \$ - | \$ - |
| Title and Recording | \$ 7,500 | \$ 7,500 | \$ - |
| Legal | \$ 10,000 | \$ - | \$ (10,000) |
| Cost of Bond Issuance | \$ - | \$ - | \$ - |
| Pre-Paid MIP | \$ - | \$ - | \$ - |
| Reserves and Escrows | \$ - | \$ - | \$ - |
| Other: | \$ - | \$ - | \$ - |
| SUBTOTAL | \$ 32,500 | \$ 44,110 | \$ 11,610 |
| SOFT COSTS | | | |
| Market Study | \$ 10,000 | \$ 5,500 | \$ (4,500) |
| Environmental | \$ 25,000 | \$ 49,313 | \$ 24,313 |
| Tax Credit Fees | \$ 99,778 | \$ 116,033 | \$ 16,255 |
| Appraisal | \$ 8,000 | \$ 16,300 | \$ 8,300 |
| Hard Relocation Costs | \$ 180,000 | \$ 441,845 | \$ 261,845 |
| Accounting/Cost Certification | \$ 20,000 | \$ 113,418 | \$ 93,418 |
| Other: Soft Cost Contigency, Marketing, | | | |
| Permit Fees | \$ 332,975 | \$ 194,834 | \$ (138,141) |
| SUBTOTAL | \$ 675,753 | \$ 937,243 | \$ 261,490 |
| SYNDICATION | | | |
| Organization | \$ - | \$ - | \$ - |
| Bridge Loan | \$ - | \$ - | \$ - |
| Tax Opinion | \$ - | \$ - | \$ - |
| Other: | \$ - | \$ - | \$ - |
| SUBTOTAL | \$ - | \$ - | \$ |
| TDC before Dev. Fees & Reserves | \$ 14,317,021 | \$ 16,723,570 | \$ 2,406,549 |
| RESERVES | | | |
| Rent Up | \$ - | \$ 186,576 | \$ 186,576 |
| Operating | \$ 332,607 | \$ 362,106 | \$ 29,499 |
| Replacement (inc. only if capitalized) | \$ - | \$ 500,594 | \$ 500,594 |
| Escrows/Working Capital | \$ - | \$ - | \$ - |
| Other: USDA GOA | \$ 25,000 | \$ 64,758 | \$ 39,758 |
| SUBTOTAL | \$ 357,607 | \$ 1,114,034 | \$ 756,427 |
| DEVELOPER FEES | | | · · · · · · |
| Developer Fee | \$ 1,197,000 | \$ 1,197,000 | \$ - |
| Consultant Fee | \$ - | \$ - | \$ - |
| SUBTOTAL | \$ 1,197,000 | \$ 1,197,000 | \$ - |
| Total Development Cost (TDC) | \$ 15,871,628 | \$ 19,034,604 | \$ 3,162,976 |
| TDC w/o Land, Reserves & Commercial | \$ 15,154,021 | \$ 17,560,570 | \$ 2,406,549 |

| \$ | - | \$ | - |
|--|---|--|--|
| \$ | - | \$ | - |
| \$ | 0.26 | \$ | 0.63 |
| \$ | - | \$ | - |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ | 0.13 | \$ | 0.13 |
| \$ | 0.17 | \$ | - |
| \$ | - | \$ | - |
| \$ | - | \$ | - |
| \$ | - | \$ | - |
| \$ | - | \$ | - |
| \$ | 0.56 | \$ | 0.76 |
| | | | |
| \$ | 0.17 | \$ | 0.09 |
| \$ \$ \$ \$ \$ | 0.43 | \$ | 0.85 |
| \$ | 1.71 | \$ | 1.99 |
| \$ | 0.14 | \$ | 0.28 |
| | 3.09 | \$ | 7.59 |
| \$ | 0.34 | \$ | 1.95 |
| \$ | 5.72 | \$ | 3.35 |
| | | | |
| \$ | 11.60 | \$ | 16.09 |
| \$ | | \$ | 16.09 |
| \$ | | \$ \$ | 16.09 - |
| \$ | | \$ \$ | 16.09 |
| \$ \$ \$ | | \$ \$ \$ | 16.09 - - - |
| \$ | | \$ \$ | 16.09 - - - - - |
| \$ \$ \$ | | \$ \$ \$ | 16.09 - - - - - - |
| \$ \$ \$ \$ | | \$ \$ \$ \$ | 16.09 - - - - - - 287.12 |
| \$ \$ \$ \$ \$ \$ | - - - - - - | \$ \$ \$ \$ \$ | - - - - - - - |
| \$ \$ \$ \$ \$ \$ | - - - - - - | \$ \$ \$ \$ \$ \$ | - - - - - - - |
| \$ \$ \$ \$ \$ \$ | - - - - - - | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - - 287.12 |
| \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - 287.12 3.20 |
| \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 - | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - 287.12 3.20 6.22 |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 - | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - 287.12 3.20 6.22 8.59 - 1.11 |
| \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 - 5.71 - 5.71 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - - 287.12 3.20 6.22 8.59 - |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 - 5.71 - - - 0.43 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - 287.12 3.20 6.22 8.59 - 1.11 |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 - - - - 245.81 - 5.71 - - - 0.43 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - 287.12 3.20 6.22 8.59 - 1.11 |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 - - - - - 245.81 - 5.71 - - 0.43 6.14 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - - 287.12 - 287.12 - 3.20 6.22 8.59 - - 1.11 19.13 |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 - - - - - 245.81 - 5.71 - - 0.43 6.14 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - - 287.12 - 287.12 - 3.20 6.22 8.59 - - 1.11 19.13 |
| \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 11.60 245.81 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - - - - - 287.12 - 287.12 - 3.20 6.22 8.59 - - 1.11 19.13 20.55 - |

New Mexico Mortgage Finance Authority

FY 2024 Quarter 3 Strategic Marketing Overview

Kristie Garcia Director of Communications & Marketing Marketing & Communications Department

HOUS NG NEW MEXICO MFA



Press Releases

April 18

New Mexico Mortgage Finance Authority celebrates groundbreaking ceremonies for MFA-funded multifamily developments, fueling the growth of affordable housing in the state

April 23

New Mexico Mortgage Finance Authority's Recovery Housing Program Notice of Funding Availability opens May 1, training set for April 24

April 30

New Mexico Mortgage Finance Authority celebrates grand opening of *Ceja Vista Senior Apartments*, Valle de Atrisco Family Apartments



Ceja Vista Senior Apartments Grand Opening



Press Releases

May 15

New Mexico Mortgage Finance Authority Board of Directors approves bond resolution and funding for Peachtree Canyon development in Las Cruces

May 20

Supportive Housing Coalition of New Mexico and Thomas Development Co. Break Ground on La Serena Apartments, a new affordable senior living community in Albuquerque

May 30

New Mexico Mortgage Finance Authority Board of Directors approves over \$72 million in Low-Income Housing Tax Credits and \$10.6 million in funding awards to several housing developments



La Serena Apartments Groundbreaking



Press Releases

June 6

New Mexico Mortgage Finance Authority employees volunteer to help build Greater Albuquerque Habitat for Humanity homes

June 25

New Mexico Mortgage Finance Authority celebrates groundbreaking of Encino Gardens Apartments in Albuquerque

June 26

New Mexico Mortgage Finance Authority seeks contractors to rehabilitate homes



Greater Albuquerque Habitat for Humanity volunteer event



Media Mention Analytics

Media Mentions

• 165

Audience Reached

• Over 34 million

Value of Publicity

• Approximately \$1.16 million





Housing New Mexico in the News





The New Mexico Mortgage Finance Authority (MFA) is accepting Requests for Qualifications for contractors interested in providing home rehabilitation services for MFA's Home Improvement Program. Up to \$5 million in funding is available to rehabilitate homes throughout state. Part of its HOME Rehabilitation Program, MFA's Home Improvement Program allows for repair, reconstruction and rehabilitation of homes occupied by eligible income-gualified homeowners. This before-and-after photo is an example of an MFAfunded HOME Rehabilitation Program project in which a bathroom was transformed to be elderlyaccessible, including a no-step shower, an elevated toilet and a grab bar. (Photos courtesy Southwestern Regional Housing and Community Development Corporation)



Official Newspaper of Record in Los Alamos County

New Mexico Mortgage Finance Authority Board Of Directors Approves Over \$72M In Low-Income Housing Tax Credits

Submitted by Carol A. Clark on May 31, 2024 - 9:23 am



At its May 2024 meeting, the New Maxico Mortgage Finance Authority Board of Directors approved approximately \$12.4 million in Low-Income Housing Tax Creatis for Country Club Apartments in Santa Fe. Santa Fe Civic Housing Authority will rehabilitate 62 apartment units for households with children. Courtes SFCHA

News Follow 07 Fallowers

New Mexico Mortgage Finance Authority's Recovery Housing Program set to open





| By Nichol | le Gonvea | | CLLOW |
|-----------|-------------|-----|---------|
| Published | April 23, 3 | 024 | 9:34 AM |



El Paso, TX (KVIA-TV)-The New Mexico Mortgage Finance Authority's Recovery Housing Program Notice of Funding Availability will open May 1 to qualified service providers in the state. The program is a significant step in supporting individuals in recovery from substance use disorders to guide them toward self-sufficiency by providing stable, temporary recovery housing.

\$29M Westside housing project breaks ground

The Date Line Free director & the Date former



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Advertising

Print Ads

- New Mexico Bankers Association Directory
- The Municipal Reporter: A Publication of the New Mexico Municipal League (free)
- The Real Estate Book
- Venue Plus (Albuquerque Journal supplement)

Digital Ads

- New Mexico Association of Counties News Brief (free)
- New Mexico Society of CPAs E-Newsletter

Google Ads (two campaigns)

- Down Payment Assistance
- Affordable Housing



The Municipal Reporter ad



Advertising

New Mexico Activities Association High School Sports Championships

- Venue Banner
- Website Banner Ad
- App Ads
- Tournament Program Ad
- Table at State Basketball Tournament at The Pit











2024 New Mexico Activities Association Sponsorship Analytics

Winter Sports and Spring Sports High School Championships

- State Basketball attendance: 127,298
- State Basketball attendance at The PIT: **76,452**
- State Championship Programs Downloaded for State Basketball, Wrestling, Swim and Diving, Powerlifting, Baseball, Track and Field, and Softball: **37,983**
- Attendance for State Basketball, Wrestling, Swim and Diving, Powerlifting, Baseball, Track and Field, and Softball: 187,877
- <u>NMACT.ORG</u> visits December-May 2024: 2,861,239
- MFA Housing New Mexico digital logo presence on NMAA online broadcasts of State Basketball at The PIT: 176,803 Views of NMAA State Basketball Broadcasts in The PIT







Social Media



🚯 💿 🔇 💿

| April | May | June | TOTAL |
|--------------|--------------|--------------|--------------|
| Engagements: | Engagements: | Engagements: | Engagements: |
| 1,554 | 2,684 | 2,231 | 6,469 |



Social Media – Facebook

Top Posts

f MFA Housing New Mexico



Manufactured/Mobile Home

Community Outreach Survey 🚺



| Clicks | Reactions | Comments |
|--------|-----------|-------------|
| 976 | 54 | 10 |
| Shares | Reach | Impressions |
| 18 | 15373 | 28956 |



MFA's Executive Director/CEO

Isidoro Hernandez spoke at the



| Reactions | Comments |
|-----------|-------------|
| 40 | 1 |
| Reach | Impressions |
| 1091 | 1163 |
| | 40 Reach |



MFA Housing New Mexico May 29, 2024 12:01 PM

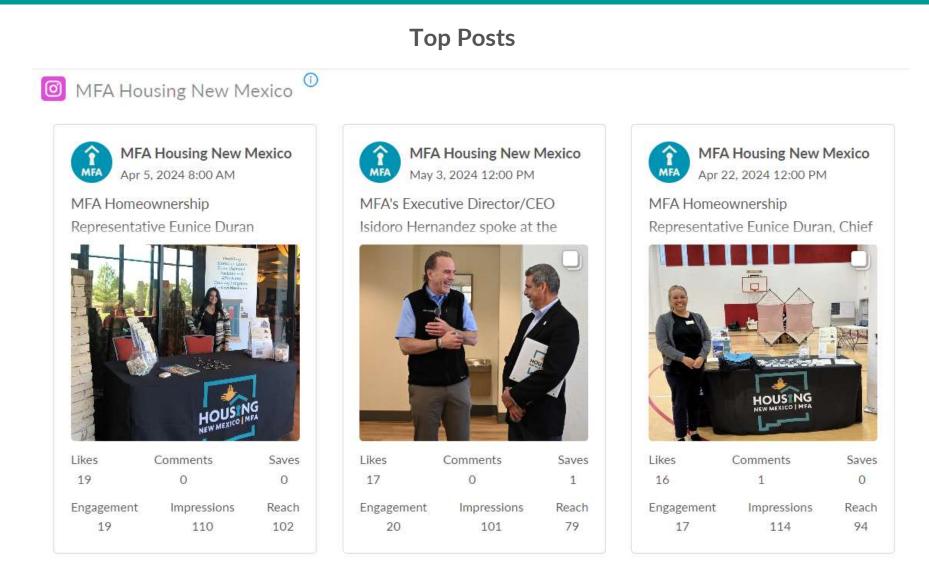
May is Affordable Housing Month. How does Kelly Patterson's role at



| Clicks | Reactions | Comments |
|--------|-----------|-------------|
| 57 | 43 | 19 |
| Shares | Reach | Impressions |
| 5 | 386 | 444 |
| | | |



Social Media – Instagram





Social Media – LinkedIn

Top Posts





MFA Housing New Mexico May 3, 2024 12:00 PM

MFA's Executive Director/CEO Isidoro Hernandez spoke at the



| Likes | Comments | Shares | Clicks |
|-------|----------|--------|--------|
| 31 | 1 | 3 | 358 |



MFA Housing New Mexico Jun 6, 2024 8:00 AM

MFA's Board approved over \$72 million in Low-Income Housing Tax





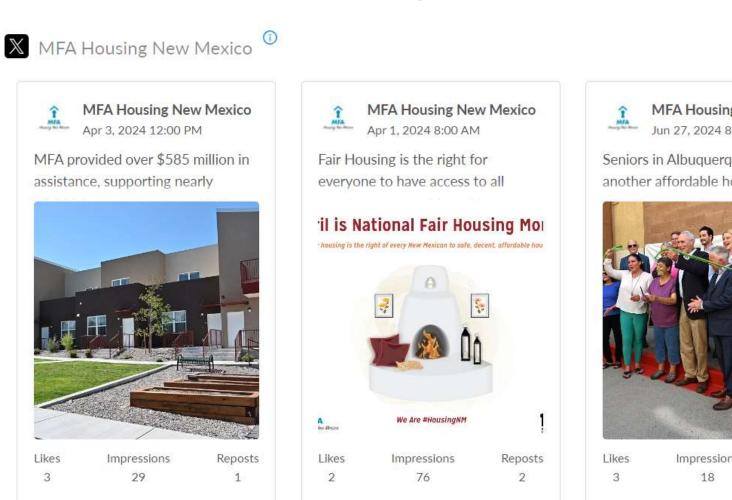
MFA Housing New Mexico Jun 5, 2024 12:00 PM

MFA was thrilled to join the @Supportive Housing Coalition of





Social Media – Twitter/X



Top Posts

MFA Housing New Mexico Jun 27, 2024 8:00 AM

Seniors in Albuquerque will have another affordable housing option

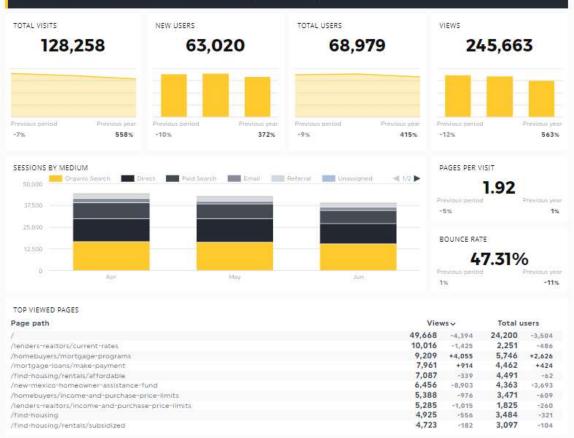




Website

HOUSING NEW MEXICO MFA

Website Traffic Overview | Google Analytics 4

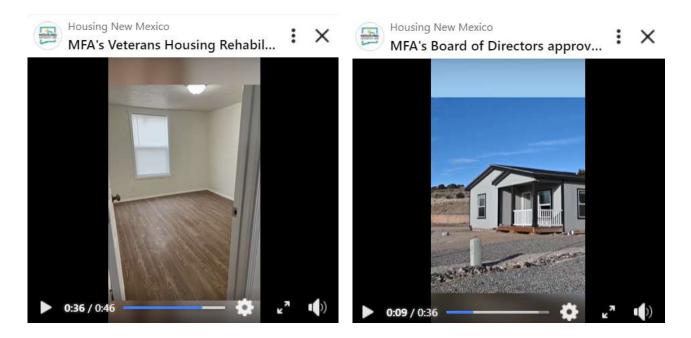


. . .



A total of 13 videos were produced and shared on social media

- Housing Innovation Program (Vista de Plata Silver City)
- Veteran's Home Rehabilitation (Deming)
- Affordable Housing Month (10 videos featuring 12 employees)
- Earth Day panel discussion





May is Affordable Housing Month. How does Kellie Tillerson's role at MFA help affordable housing in New Mexico?

#HousingNM 💙 💛







Quarterly Newsletter (April)

- Emailed to 3,311 people
- Available at housingnm.org
- Shared on social media

Don't miss out on our April 2024 newsletter for the latest MFA news.

Stay Informed with Our Quarterly Newsletter!

Subscribe today!

MFA Abusing New Mexice





MFA is a self-supporting quasi-governmental entity that administers federal, state, and private financing to make quality affordable housing and housing services available to low- and moderate-income New Mexicans

Message from the CEO

"The New Mexico Mortgage Finance Authority (MFA) administers more than 40 programs dedicated to providing housing, the foundation for strong families and vibrant communities. Last year, MFA was able to assist more than 18,000 households statewide, supporting a wide spectrum of housing needs. We rely on our partners, including shelter providers, organizations serving at-risk populations, lenders, realtors, developers, non-profit organizations, tribal and local governments to deliver most of these impactful programs and services. We continue our commitment to ensure that all New Mexicans have access to quality affordable housing opportunities and would like to thank our partners for their continued dedication to delivering housing opportunities statewide. Together we are Housing New Mexico."

- Isidoro Hernandez CEO and Executive Director





Outreach

- U.S. Department of Housing and Urban Development New Mexico Tribal House Party (April 10)
- Northwest New Mexico Council of Government Presentation (April 17)
- 34th Annual Colfax County Extension Health Fair (April 18)
- Santa Fe Business Expo & Career Resource Fair (April 18)
- New Mexico Bankers Association Bankers Forum (April 19)
- Earth Day Festival (April 21)
- Ceja Vista and Villa de Atrisco Grand Opening (April 24)
- New Mexico Apartment Conference & Tradeshow (April 24-26)
- Gallup Housing Summit Presentation (April 26)





Outreach

- Women's Housing Coalition Mother's Day Brunch Sponsorship (April 27)
- Step-Up Bisbee/Naco Workforce Housing Initiative (April 29)
- Presentation at Farmington Chamber of Commerce Educational Event (May 8)
- La Serena Groundbreaking Ceremony (May 20)
- Presentation at Southeastern New Mexico Economic Development District Housing Summit (May 22)
- Habitat for Humanity Volunteer Site Build (May 22)
- Presentation at Behavioral Health Services Division Supportive Housing Retreat (May 24)
- Community Advocacy Team Homelessness Forum (May 29)







Outreach

- In-Person Meetings with Las Cruces Mayor Eric Enriquez, Tierra del Sol Housing and Nicole Martinez with Mesilla Valley Community of Hope (June 3-4)
- Karsten Manufactured Housing Tour/Western States Group Meeting (June 10)
- New Mexico Counties Annual Conference (June 17)
- Developers 9% LIHTC Forum (June 17)
- Developers 4% LIHTC Forum (June 18)
- 100% Bernalillo Summit (June 21)
- Encino Gardens Apartments Groundbreaking Ceremony (June 24)



Page 152 of 182

Questions?

Kristie Garcia Director of Communications & Marketing Tel: 505-767-2268 Email: kgarcia@housingnm.org

344 Fourth St. SW, Albuquerque, NM 87102 Tel: 505-843-6880 <u>www.housingnm.org</u>

HOUS NG NEW MEXICO MFA

We Are Housing New Mexico

Q3 2024 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-two (52) ACTIVE PROJECTS representing:

- ~\$67.7 million in annual tax credits
- ~\$183.3 million in MFA-issued bonds
- ~\$85.3 million in MFA loans & grants
- Totaling \$336,326,895 in combined funding
- Consisting of 4,869 apartment units
- Located in 21 municipalities in 15 counties across the state.

Two (2) project CLOSINGs in Q3 2024:

- Las Rosas I Apartments, a 28-unit 2020 USDA Preservation Revolving Loan Fund rehabilitation project located in Tularosa.
- Las Rosas II Apartments, a 28-unit 2021 USDA Preservation Revolving Loan Fund rehabilitation project located in Tularosa.

Thirty-one (31) projects are currently UNDER CONSTRUCTION:

- Two projects were added, and seven projects were completed and removed, so there are now 31 projects currently under construction.
- Approximately four projects are expected to be completed by the end of the fourth quarter.
- Eight projects have been completed and are pending final close-out documentation.
- An additional five projects are on track to receive approval to begin construction before the end of the fourth fiscal quarter.

Upcoming Ground Breakings/Ribbon-cuttings:

• We are not aware of any upcoming Ground Breakings or Ribbon Cuttings.

Estimated Economic Impact of the 31 projects (2,731 units) currently under construction:

- Approximately \$319 million in local income
- Approximately 4,370 jobs

Eventual Economic Impact of all 52 projects (4,869 units) once under construction:

- Approximately \$569 million in local income
- Approximately 7,790 jobs

Multifamily Project Completion Pipeline Report

| Fiscal Year: 2024 Total LIHTC Award: \$ 67,721,241 Total Projects: 52 Quarter: 3rd Total MFA-Issued Bond Amount: \$ 183,276,778 Total # of Apts: 4,869 Which will result in \$569,33 Prepared: 7/15/2024 Total MFA Loan and Grant Amount: \$ 85,328,876 # of Projects: 31 Overall Awards: \$ 336,326,895 Total # of Apts: 2,731 Which will result in \$319,33 Under Construction: * of Municipalities 2,731 Which will result in \$319,33 * * of Municipalities \$ 326,326,895 Total # of Apts 2,731 * * * * * * * * * * of Municipalities \$ 21 Pueblo of Laguna, Albuqueri Served: *< |
|--|
| Prepared: 7/15/2024 Total MFA Loan and Grant Amount: \$ 85,328,876 # of Projects 31 Under Construction: Construction: Construction: Construction: Construction: Construction: Under Vider Vider Construction: Vider Construction: Under Construction: Under Vider Vider< |
| Under Under Construction: 2,731 Which will result in \$319,33 Under Under Under Construction: Under 12 Verall Awards: # of Municipalities Served: # of Counties # of Counties 15 Cibola, Bernalillo, Sandoval, |
| Under Construction: # of Municipalities Served: # of Counties 15 Cibola, Bernalillo, Sandoval, |
| Served: # of Counties 15 Cibola, Bernalillo, Sandoval, |
| |
| |

| Destant Alexan | | | ugust, and November Board N | | | Decidence difference | | | | N. C | Luciona de la | | | | | Constituent of | | | MFA Loan and Grant | | |
|---|--------------------|----------------|--|----------------------------------|-----------------------------------|----------------------|------|--------------------------------------|----|---|------------------------------|---|---|--|---|---|----------------------------|--------|------------------------------|-----------------------|---|
| Project Name | Project Location | Project County | Developer | Application or Allocatio Year | n Total Development Cost (TDC) | Board Approval Date | Actu | osing Date al (A) or ected (P) | | New Construction or AR Acquisition/Rehab | - Housing Priority or N/A | Construction Start Approval Date Actual (A) or Projected (P) | 33% Complete Date Actual (A) or Projected (P) | 66% Complete Dat Actual (A) or Projected (P) | e Construction Completion Date Actual (A) or Projected (P) | Certificate of Occupancy/Placed in Servic d Date Actual (A) or Projected (P) | | Amount | | Grant Programs | Any Known Issues or Comments |
| ¹ Country Club | Santa Fe | Santa Fe | Santa Fe Civic Housing Authority | 1/22/2024 | \$ 21,593,630 | 5/22/2024 | (P) | 12/15/2024 | 62 | AR/NC | Households with children | (P) 10/15/2024 | (P) 4/30/2025 | (P) 10/30/2025 | 6 (P) 4/30/2026 | (P) 4/30/2026 | \$ 1,240,558 | 8 N/A | 400,000 2,000,000 400.000 | HOME NMHTF NHTF | |
| ¹ Somos Apartments | Albuquerque | Bernalillo | Greater Albuquerque Housing Partnership | 1/23/2024 | \$ 21,751,638 | 5/22/2024 | (P) | 12/15/2024 | 70 | NC | Seniors | (P) 10/15/2024 | (P) 4/30/2025 | (P) 10/30/2025 | 6 (P) 4/30/2026 | (P) 4/30/2026 | \$ 1,622,805 | i N/A | \$ 4,000,000.00 | NMHTF | |
| ¹ Ocate Apartments | Santa Fe | Santa Fe | Santa Fe Civic Housing Authority | 1/22/2024 | \$ 22,275,632 | 5/22/2024 | (P) | 12/15/2024 | 60 | NC | Households with Chrisldre | (P) 10/15/2024 | (P) 4/30/2025 | (P) 10/30/2025 | 6 (P) 4/30/2026 | (P) 4/30/2026 | \$ 1,622,805 | 6 N/A | 400,000 2,000,000 400.000 | HOME NMHTF NHTF | |
| ¹ Laguna #4 | Pueblo of Laguna | Cibola | Laguna Housing Development and Management Enterprise | 1/22/2024 | \$ 11,482,452 | 5/22/2024 | (P) | 12/15/2024 | 40 | AR | Households with children | (P) 10/15/2024 | (P) 4/30/2025 | (P) 10/30/2025 | 6 (P) 4/30/2026 | (P) 4/30/2026 | \$ 1,163,732 | ! N/A | | | No loans |
| ¹ Elk Meadows Apartments | Village of Ruidoso | Lincoln | Enriched Communities LLC | 1/22/2024 | \$ 19,477,026 | 5/22/2024 | (P) | 12/15/2024 | 61 | NC | Household with children | (P) 10/15/2024 | (P) 4/30/2025 | (P) 10/30/2025 | 6 (P) 4/30/2026 | (P) 4/30/2026 | \$ 1,496,000 |) N/A | 400,000 2,000,000 400.000 | HOME NMHTF NHTF | |
| ¹ Tierra Encantada | Anthony | Dona Ana | Tierra del Sol Housing Corporation | 2023 | \$ 5,746,624 | 5/17/2023 | (P) | 5/15/2024 | 24 | AR | Households with children | (A) 3/7/2024 | (P) 9/30/2024 | (P) 3/30/2025 | (P) 9/30/2025 | (P) 9/30/2025 | \$ 388,782 | N/A | 400000 2,000,000. 750,000 | NHTF NMHTF Ventana | |
| | Albuquerque | Bernalillo | Blueline Development Inc. | 2023 | \$ 16,060,144 | 5/17/2023 | (P) | 5/30/2024 | 47 | NC | Special Needs | (A) 4/8/2024 | (P) 9/30/2024 | (P) 3/30/2025 | (P) 9/30/2025 | (P) 9/30/2025 | \$ 1,417,000 | N/A | \$ 1,000,000 \$ 1,701,121 | | HOME ARP awarded 11/22/2022 |
| ² Route 66 | , | | | | ¢ 10,000,1 | 5/27/2020 | | 5,55,252. | | | (PSH) | (1) 10/0021 | (,) 5,50,202. | (, ,)))))))))))))))))) | (.) 5,55,2525 | (,, 5,56,2625 | ÷ _)/,000 | | • _,, •_, | | |
| ³ Felician Villa II | Rio Rancho | Sandoval | Chelsea Investments & CC Housing | 2023 | \$ 20,254,528 | 5/17/2020 | (A) | 3/12/2024 | 65 | NC | Seniors | (A) 3/12/2024 | (A) 7/2/2024 | (P) 2/28/2025 | (P) 8/30/2025 | (P) 8/30/2025 | \$ 1,621,723 | B N/A | \$ 1,000,000 | HOME-CHDO | |
| ⁴ Farolito Senior Community | Albuquerque | Bernalillo | Greater Albuquerque Housing Partnership | 2023 | \$ 24,250,000 | 5/17/2023 | N/A | No MFA loans | 82 | NC | Seniors | (A) 4/24/2024 | (P) 9/30/2024 | (P) 3/30/2025 | (P) 11/15/2025 | (P) 11/15/2025 | \$ 1,622,805 | N/A | \$ 400,000 N/A | NHTF N/A | |
| ⁵ Laguna #3 | Pueblo of Laguna | Cibola | Laguna Housing Development and Management Enterprise | 2022 | \$ 8,515,420 | 5/18/2022 | N/A | No MFA loans | 20 | NC | Households with Children | (A) 1/9/2023 | (A) 9/20/2023 | (A) 4/24/2024 | (A) 6/27/2024 | (P) 11/15/2024 | \$ 928,988 | N/A | N/A | N/A | |
| ⁶ Calle Cuarta | Albuquerque | Bernalillo | YES Housing | 2022 2023 | \$ 18,948,536 | 5/18/2022 | (A) | 9/21/2023 | 61 | NC | Households with Children | (A) 9/21/2023 | (P) 7/17/2024 | (P) 9/30/2024 | (P) 11/15/2024 | (P) 11/15/2024 | \$ 1,078,540 \$ 316,286 | | \$ 400,000 | HOME-CHDO NHTF | Addt'l Tax Credits awarded for 2023 Bc 5/17/2023 |
| ⁷ 120 La Plata | Albuquerque | Bernalillo | Albuquerque Housing Authority | 2022 | \$ 10,637,950 | 5/18/2022 | (A) | 12/27/2023 | 32 | AR | Households with Children | (A) 3/27/2024 | (P) 8/15/2024 | (P) 2/15/2025 | (P) 8/15/2025 | (P) 8/15/2025 | \$ 749,825 | N/A | \$ 1,000,000 \$ 1,000,000 | NMHTF Ventana | |
| ⁸ 9000 Veranda | Albuquerque | Bernalillo | Albuquerque Housing Authority | 2022 | \$ 12,211,462 | 5/18/2022 | (A) | 12/27/2023 | 35 | AR | Households with Children | (A) 3/27/2024 | (P) 8/15/2024 | (P) 2/15/2025 | (P) 8/15/2025 | (P) 8/15/2025 | \$ 765,840 | N/A | \$ 1,000,000 | Ventana | |
| ⁹ Felician Villa Apartments I | Rio Rancho | Sandoval | Chelsea Investment Corp. & Catholic Charities | & 2022 | \$ 16,322,792 | 5/18/2022 | (A) | 11/7/2023 | 65 | NC | Seniors | (A) 11/20/2023 | (P) 7/31/2024 | (P) 9/30/2024 | (P) 12/15/2024 | (P) 12/15/2024 | \$ 1,228,760 | 0 N/A | \$ 1,000,000 | HOME-CHDO | |
| | | | | | | | | | | | | | | | | | | | \$ 400,000 \$ 2,800,000 | NHTF ARPA-FRF | ARPA-FRF awarded 3-16-202 |

9,332,170 in local income and 7,790 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.

9,335,830 in local income and 4,370 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.

uerque, Rio Rancho, Las Cruces, Socorro, Belen, Hobbs, Taos, Mescalero, Pubelo fo Acoma, Los Alamos, Santa Fe, Los Ranchos de Albuquerque, Grants, Anthony, Village of Ruidoso, Artesia, Tucumcari, Tularosa, Cloudcro

val, Dona Ana, Socorro, Valencia, Lea, Taos, Otero, Los Alamos, Santa Fe, Eddy, Lincoln, Quay, Grant

| Main Funding Source | Project Name | Project Location | Project County | Developer | Application or Allocation Year | Total Development Cost (TDC) | Board Approval Date | Loan Closing Date Actual (A) or Projected (P) | No of Apts | NC - New Construction or AR - Acquisition/Rehab | Housing Priority or N/A | Construction Start Approval Date Actual (A) or Projected (P) | 33% Complete Date Actual (A) or Projected (P) | 66% Complete Date Actual (A) or Projected (P) | Construction Completion Date Actual (A) or Projected (P) | Occupancy/Placed in Service | LIHTC Award Amount | MFA PAB Bond Amount | MFA Loan and Grant Amounts | MFA Loan or Grant Programs | Any Known Issues or Comments |
|------------------------|---|------------------|----------------|---|-----------------------------------|---------------------------------|-----------------------------|---|------------|--|-----------------------------|---|---|---|---|-----------------------------|--------------------------|------------------------|---|--|--|
| | ¹⁰ The Three Sisters Apartments | Las Cruces | Dona Ana | Chelsea Investment Corp. & Catholic Charities | 2022 | \$ 17,423,330 | 5/18/2022 | (A) 11/9/2023 | 69 | NC | Households with Children | (A) 11/20/2023 | (P) 7/31/2024 | (P) 10/31/2024 | (P) 11/15/2024 | (P) 11/15/2024 | \$ 1,341,912 | N/A | \$ 1,000,000 \$ 400,000 | HOME-CHDO | |
| | 1. Mada da Casarina | Socorro | Socorro | JL Gray | 2021 | \$ 13,345,390 | 05/19/21 | (A) 12/28/2023 | 32 | NC | Special Needs | (A) 2/29/2024 | (P) 7/31/2024 | (P) 12/31/2024 | (P) 11/15/2025 | (P) 11/15/2025 | \$768,507 | N/A | \$ 3,500,000 | CSLFRF (NMHTF) HOME | |
| | ¹ Vista de Socorro | Jacono | | Jordy | | ¥ 15,545,550 | 03,13,11 | (1) 12/20/2023 | 52 | | (PSH) | (1) 2/25/2024 | () //51/224 | () 12/32/324 | () 11/15/1015 | () 1919/025 | <i></i> | | \$400,000 \$2,000,000 \$1,000,000 | NHTF NMHTF TCAP | |
| | ² Belen Vista | Belen | Valencia | Chelsea Investment Corp. | 2021 | \$ 12,026,396 | 05/19/21 | (P) 5/30/2024 | 57 | AR | Households with Children | (A) 9/29/2023 | (P) 9/30/2024 | (P) 11/15/2024 | (P) 11/15/2024 | (P) 11/15/2024 | \$787,639 | N/A | \$1,000,000 \$400,000 | HOME-CHDO NHTF | |
| | ³ West Berry | Hobbs | Lea | YES Housing | 2021 | \$ 17,245,527 | 05/19/21 | (A) 8/25/2022 | 56 | NC | Seniors | (A) 11/30/2022 | (A) 12/15/2023 | (A) 11/6/2023 | (P) 7/15/2024 | (P) 7/15/2024 | \$1,090,143 | N/A | \$840,000 \$1,000,000 \$2,000,000 \$370,589 \$627,026 | HOME-CHDO NMHTF ALTSD CDBG-CV CSLFRF | |
| | 14 Mariposa | Taos | Taos | Chelsea Investment Corp. | 2021 | \$ 14,308,030 | 05/19/21 | (P) 6/15/2024 | 58 | AR/NC | Households with Children | (A) 9/29/2023 | (P) 9/30/2024 | (P) 10/31/2024 | (P) 11/15/2024 | (P) 11/15/2024 | \$1,069,704 | N/A | \$1,000,000 \$400,000 | HOME-CHDO | 1 |
| | ¹⁶ A'diidi ni'kuwaa | Mescalero | Otero | Mescalero Apache Housing Authority | 2021 | \$ 12,453,378 | 06/17/20 | (A) 9/21/2022 | 40 | NC | Special Needs (PSH) | (A) 2/10/2023 | (A) 5/5/2023 | (P) 9/30/2024 | (P) 11/15/2024 | (P) 11/15/2024 | \$626,772 | N/A | \$292,500 \$400,000 | HOME | 1 |
| | 17 PAHA Homes #2 | Pueblo of Acoma | Cibola | Pueblo of Acoma Housing Authority | 2020 | \$ 7,559,179 | 06/17/20 | N/A No MFA loans | 30 | NC | Special Needs (PSH) | (A) 12/28/2020 | (A) 11/4/2021 | (A) 4/22/2022 | (P) 11/15/2024 | (P) 11/15/2024 | \$671,000 | N/A | N/A | N/A | 1 |
| | ¹⁹ Copper Terrace | Albuquerque | Bernalillo | YES Housing | 2020 | \$ 17,864,244 | 06/17/20 | (A) 11/22/2022 | 96 | AR | Households with Children | (A) 12/30/2020 | (A) 8/19/2021 | (A) 2/28/2022 | (A) 2/14/2024 | (P) 7/31/2024 | \$1,232,333 | N/A | \$1,000,000 \$1,000,000 | HOME-CHDO | |
| | 20 Broadway/McKnight | Albuquerque | Bernalillo | Albuquerque | 2020 | \$ 14,073,432 | 05/31/22 | (A) 8/5/2021 | 54 | NC | Households with | (A) 9/13/2021 | (A) 5/16/2022 | (A) 9/12/2022 | (A) 1/3/2024 | (A) 5/18/2023 | \$954,720 | N/A | \$1,800,000 \$400,000 | | FRF 11/22/2022 awarded 8609's packet pending |
| | | | | Housing Authority | | | | | | | Children | | | | | | | | \$600,000 | ТСАР | 1 |
| | 21 The Bluffs | Los Alamos | Los Alamos | Bethel Development & SW Regional | 2019 | \$ 12,871,284 | 06/17/19 | N/A No MFA loans | 64 | NC | Seniors | (A) 7/29/2021 | (A) 7/28/2022 | (A) 9/7/2023 | (P) 9/30/2024 | (A) 12/30/2023 | \$1,028,671 \$102,867 | N/A | N/A | N/A | Pending 8609 Request Final Inspection 1 Supplemental Credits 2024 |
| | 22 Siler Yard: Arts + Creativity Center | Santa Fe | Santa Fe | New Mexico Inter- Faith Commmunity Housing Development Corp. | 2019 | \$ 17,412,768 | 06/17/19 | N/A No MFA loans | 65 | NC | Households with Children | (A) 06/23/20 | (A) 4/15/2021 | (A) 8/16/2021 | (A) 10/12/2022 | (A) 10/12/2022 | \$1,040,000 | N/A | N/A | N/A | Pending 8609 Request |
| 4% | Cresta Ranch | Santa Fe | Santa Fe | Lincoln Avenue Communities | 2024 | \$103,995,896 | 09/18/24 | (P) 12/1/2024 | 240 | NC | Households with Children | (P) 12/08/24 | (P) 3/8/2025 | (P) 9/8/2025 | (P) 4/8/2027 | (P) 4/8/2027 | \$4,702,152 | County-issued bonds | \$4,000,000.00 | NMHTF | 60 Million in PAB |
| | Peachtree Canyon II | Las Cruces | Dona Ana | Thomas Devlopment and NMHCDC (Tom Andrews and Steven Rice) | 2023 (2024 QAP) | \$39,238,094 | 11/20/24 | (P) 2/1/2025 | 144 | NC | Households with Children | (P) 02/02/25 | (P) 7/15/2025 | (P) 12/15/2025 | (P) 5/15/2026 | (P) 5/15/2026 | \$1,926,635 | \$20,000,000 | \$800,000 1,500,000 2,000,000 | HOME NHTF NMHTF | |
| | Turquoise Trail | Santa Fe | Santa Fe | Dominium - Santa Fe Leased Housing Development | 2023 | \$131,189,030 | N/A - no MFA loans or bonds | N/A No MFA loans | 312 | NC | Households with Children | (P) 12/30/24 | (P) 6/15/2025 | (P) 12/30/2025 | (P) 6/30/2026 | (P) 6/30/2026 | \$6,115,499 | County-issued bonds | | | 70 Million in PAB |

| Project Name | Project Location | Project County | Developer | Application or Allocation Year | n Total Development Cost (TDC) | Board Approval Date | Loan Closing Date Actual (A) or Projected (P) | No of Apts | NC - New Construction or AR - Acquisition/Rehab | Housing Priority or N/A | Construction Start Approv Actual (A) or Projected | | | Construction Completion Date Actual (A) or Projecter (P) | Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P) | LIHTC Award Amount | MFA PAB Bond Amount | MFA Loan and Grant Amounts | t MFA Loan or Grant Program | |
|--|-------------------------------|----------------|--|-----------------------------------|-----------------------------------|--------------------------------|---|------------|--|-----------------------------|--|----------------|-----------------|---|--|--------------------|------------------------|--|--------------------------------|---|
| 4 Encino Gardens | Albuquerque | Bernalillo | Encino Development and | 2023 | \$32,894,496 | 11/15/23 | (P) 2/28/2024 | 165 | AR | Households with | (A) 03/28/24 | (P) 8/31/2024 | (P) 1/31/2025 | (P) 6/30/2025 | (P) 6/30/2025 | \$1,502,840 | County-issued | \$800,000 | HOME | 24 Million in PAB |
| | | | Management, Inc. | | | , , , , | | | | Children | | | ()))))) | (), | | | bonds | | | |
| | | | | | | | | | | | | | | | | | | \$2,000,000 | NMHTF | |
| | | | | | | | | | | | | | | | | | | \$1,000,000 | CSLFRF | |
| ⁵ La Serena | Albuquerque | Bernalillo | Thomas Development and Supportive Housing Coalition | 2023 | \$ 31,043,417 | 10/18/23 | (A) 2/28/2024 | 100 | NC | Seniors | (A) 08/23/23 | (P) 8/10/2024 | (P) 11/1/2024 | (P) 6/30/2025 | (P) 6/30/2025 | \$1,488,169 | County-issued bonds | \$800,000 | HOME | 19,661,209 PAB |
| | | | | | | | | | | | | | | | | | | \$1,500,000 | NHTF | |
| | | | | | | | | | | | | | | | | | | \$1,000,000 | NMHTF | |
| ⁶ JLG NM ABQ 2023 | Albuquerque | Bernalillo | Community Preservation Partners | 2023 | \$ 52,960,324 | 05/17/23 | No MFA Loans | 241 | AR | Households with children | (P) 07/31/24 | (P) 11/1/2024 | (P) 3/31/2025 | (P) 11/30/2025 | (P) 11/30/2025 | \$2,458,653 | \$37,500,000 | N/A | N/A | Mountain View II & III Apartments. Developer started construction without permission |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 7 JLG NM SAF 2023 | Santa Fe | Santa Fe | Community Preservation Partners | 2023 | \$ 81,286,062 | 05/17/23 | No MFA Loans | 228 | AR | Households with children | (P) 07/31/24 | (P) 11/1/2024 | (P) 3/31/2025 | (P) 11/30/2025 | (P) 11/30/2025 | \$3,361,695 | \$60,500,000 | N/A | N/A | Santa Fe Apartments & Sangre De Cristo Apartments. Developer started construction without permission |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | 0.11.7.10.1 | | | | | | (2) 2/15/2025 | | | | At 000 507 | 400.000.000 | 4000.000 | | |
| ⁸ Peachtree Canyon | Las Cruces | Dona Ana | Thomas Devlopment and NMHCDC (Tom Andrews and Steven | 2023 | \$ 40,693,965 | 04/17/24 | (P) 8/28/2024 | 144 | NC | Households with Children | (P) 09/05/24 | (P) 2/15/2025 | (P) 12/15/2025 | (P) 4/15/2026 | (P) 4/15/2026 | \$1,809,597 | \$20,000,000 | \$800,000 | HOME | Arch Comments sent 4/15 Pending additional Volume Cap \$1.5 Million |
| | | | Rice) | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | \$1,500,000 | NHTF | |
| | | | | | | | | | | | | | | | | | | \$1,000,000 | NMHTF | |
| | | | | | | | | | | | | | | | | | | \$1,250,000 | CSLFRF | |
| 9 Pedrena Senior | Las Cruces | Dona Ana | Thomas Devlopment Co and Northwest Integrity Housing | 2023 | \$ 25,406,492 | 09/30/23 | (A) 3/7/2024 | 80 | NC | Seniors | (A) 3/15/2024 | (P) 10/15/2024 | 4 (P) 3/15/2025 | (P) 8/15/2025 | (P) 8/15/2025 | \$1,211,411 | County-issued bonds | 800000 | HOME | 16 million PAB |
| | | | Со | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | \$1,500,000 | NHTF | |
| | | | | | | | | | | | | | | | | | | \$1,000,000 | NMHTF | |
| | | | | | | | | | | | | (1) 0/00/000 | | | | 40.004.770 | | \$2,000,000 | CSLFRF | |
| ¹⁰ San Roque | Albuquerque | Bernalillo | Thomas Development and Supportive Housing Coalition | 2022 | \$ 48,423,556 | 1/20/2021 | (A) 5/10/2023 | 137 | NC | Households with Children | (A) 06/08/23 | (A) 2/28/2024 | (P) 8/31/2024 | (P) 2/28/2025 | (P) 2/28/2025 | \$2,291,773 | County-issued bonds | \$800,000 | HOME | 25,838,791 Million PAB |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | \$2,622,031 | | |
| ¹¹ Sandoval Flats | Rio Rancho | Sandoval | Dominium - Rio Rancho | 2022 | \$ 74,302,735 | 10/16/2024 | (P) 12/15/2024 | 216 | NC | Households with | (P) 12/30/24 | (P) 06/30/25 | (P) 12/31/25 | (P) 06/30/26 | (P) 06/30/26 | \$4,153,573 | County-issued | \$1,325,000 | NHTF NMHTF | Re-applied for \$2MM NMHTF July 2024 |
| | | | Leased Housing Development | t Reapplied 2024 | | | | | | Children | | | | | | | bonds | | | \$52 million in Bond Cap |
| | | | | | | | | | | | | | | | | | | | | |
| ¹² Trailhead at Chamizal | Los Ranchos de Albuquerque | Bernalillo | Palindrome Properties Group | 2022 | \$ 54,948,042 | N/A - no MFA loans or bond | s N/A No MFA loans | 204 | NC | Households with Children | (A) 02/15/23 | (A) 09/08/23 | (A) 03/29/24 | (P) 07/31/24 | (P) 11/15/24 | \$2,087,905 | County-issued bonds | N/A | N/A | 43,9 million in PAB |
| ¹³ Vista Mesa Villa | Grants | Cibola | Community Preservation Partners | 2022 | \$ 17,959,252 | N/A - no MFA loans or bond | s N/A No MFA loans | 100 | AR | Households with Children | (A) 11/30/22 | (A) 02/23/23 | (A) 06/21/23 | (A) 01/12/24 | (P) 12/31/24 | \$773,209 | \$12,276,778 | N/A | N/A | 12,276,788 million in PAB |
| | | | Faturers | | | | | | | Ciliaren | | | | | | | | | | |
| ¹⁴ EMLI at Wells of Artesia | Artesia | Eddy | Liberty Multifamily | 2021 | \$ 39,469,339 | 01/19/22 | (A) 7/28/2022 | 192 | NC | Households with Children | (A) 08/10/22 | (A) 3/12/2023 | (A) 07/26/23 | (A) 5/10/2024 | (P) 08/31/24 | \$1,734,183 | \$33,000,000 | \$800,000 | HOME | 27.8 million PAB |
| | | | | | | | | | | | | | | | | | | \$500,000 | NHTF | |
| 15 Coro do Enconto do | Rio Rancho | Sandoval | DBG Properties LLC | 2021 | \$ 33,439,628 | 07/21/21 | (A) 10/21/2021 | 152 | NC | Seniors | (A) 10/13/21 | (A) 2/20/2023 | (A) 12/08/23 | (P) 9/15/2024 | (P) 9/15/2024 | \$1,508,725 | County-issued | \$500,000 \$2,000,000 | NMHTF NMHTF | 23 million in PAB |
| ¹⁵ Casa de Encantada | | Standoval | | 2021 | 2 55,455,020 | ~,_1/21 | | 152 | | 00.0013 | 10/15/21 | (., 2/20/2023 | (1) 12/06/23 | 0.7 571572024 | ., 5/15/1024 | <i>42,300,723</i> | bonds | <i>,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | |
| | | | | | | | | | | | | | | | | | | | | |
| 16 The Commons at | Albuquerque | Bernalillo | Albuquerque Housing Authority | 2020 | \$ 19,015,270 | N/A - no MFA loans or bonds | N/A No MFA loans | 96 | AR | Special Needs (PSH) | (A) 02/02/21 | (A) 10/25/2021 | L (A) 9/12/2022 | (A) 1/3/2024 | (A) 9/19/2023 | \$688,679 | County-issued bonds | N/A | N/A | 10 million in PAB 8609s are pending developer signature |
| Martineztown | | | | | | | | | | | | | | | | | | | | |
| 17 550 Paseo | Rio Rancho | Sandoval | DBG Properties LLC | 2020 | \$ 46,009,961 | Loans-1/20/2021 | (A) 3/23/2021 | 240 | NC | Households with Children | (A) 3/9/2021 | (A) 5/3/2022 | (A) 3/2/2023 | (A) 5/8/2024 | (P) 8/31/2024 | \$1,719,114 | County-issued bonds | \$750,000 | | 30 Million in PAB |
| | | | | | | | | | | | | | | | | | | \$2,000,000 | NMHTF | |

| Main Funding Source | Project Name | Project Location | Project County | Developer | Application or Allocation Year | Total Development Cost (TDC) | Board Approval Date | Loan Closing Date Actual (A) or Projected (P) | No of Apts | NC - New Construction or AR Acquisition/Rehab | Housing Priority or N/A | Construction Start Approval Date Actual (A) or Projected (P) | 33% Complete Date Actual (A) or Projected (P) | 66% Complete Date Actual (A) or Projected (P) | Construction Completion Date Actual (A) or Projected (P) | Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P) | LIHTC Award Amount | MFA PAB Bond Amount | MFA Loan and Grant Amounts | MFA Loan or Grant Programs | Any Known Issues or Comments |
|------------------------|---|------------------|----------------|---------------------------|-----------------------------------|---------------------------------|-----------------------------|---|------------|--|-----------------------------|---|---|---|---|--|--------------------|------------------------|-------------------------------|-------------------------------|--|
| | 18 Sandia Vista and Plaza David Chavez | Albuquerque | Bernalillo | Cesar Chavez Foundation | 2019 | \$ 39,558,374 | N/A - no MFA loans or bonds | N/A No MFA loans | 213 | AR | Households with Children | (A) 04/14/20 | (A) 2/12/2021 (SV) (A) 5/14/2022 (DC) | (A) 6/10/2021 (SV) (A) 9/8/2022 (DC) | (A) 9/29/21 (SV) (P) 7/31/2024 (DC) | (A) 9/29/2021 (SV)* (P) 8/31/2024 (DC) | \$1,340,250 | County-issued bonds | N/A | | 24.5 Million in PAB Project complete pending final inspection |
| | ¹ Las Briasas | Albuquerque | Bernalillo | Post Las Brisas, LLC | 2024 | \$ 1,000,000 | 4/4/2024 | (P) 8/30/2024 | 120 | AR | N/A | (P) 09/15/24 | (P) 01/15/25 | (P) 07/15/25 | (P) 01/15/26 | (P) 01/15/26 | N/A | N/A | \$1,000,000 | NMPLF | |
| | ¹ Mountain View | Tucumcari | Quay | JL Gray | 2021 | \$ 995,044 | 4/21/2021 | (A) 2/7/2024 | 45 | N/A | N/A | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | N/A | N/A | \$995,044 | PRLF | Closed 2/7/2024 |
| OANS ONLY | ² Las Rosas I | Tularosa | Otero | JL Gray | 2019 | \$ 682,555 | 7/15/2020 | (P) 5/15/2024 | 28 | AR | N/A | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | N/A | N/A | \$682,555 | PRLF | *pending USDA RD approval to proceed with closing |
| _ | ³ Las Rosas II | Tularosa | Otero | JL Gray | 2019 | \$ 925,710 | 7/15/2020 | (P) 5/15/2024 | 29 | AR | N/A | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | N/A | N/A | \$925,710 | PRLF | *pending USDA RD approval to proceed with closing |
| | ⁴ Sacramento Apts | Cloudcroft | Otero | JL Gray | 2019 | \$ 510,726 | 7/15/2020 | (P) 5/15/2024 | 20 | AR | N/A | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | (P) TBD* | N/A | N/A | \$510,726 | PRLF | *pending USDA RD approval to proceed with closing |
| Ą | ¹ Lamplighter Inn | Santa Fe | Santa Fe | JL Gray | 2021 | \$ 8,737,339 | 11/17/21 | (P) 5/15/2024 | 58 | AR | Special Needs (PSH) | (P) 06/15/24 | (P) 7/15/2024 | (P) 11/15/2024 | (P) 5/15/2025 | (P) 5/15/2025 | N/A | N/A | \$4,200,000 | DFA CDBG-CV | |
| Grant O | ⁵ Cornerstone | Silver City* | Grant** | BlueLine Development Inc. | 2022 | \$ 8,863,574 | 11/16/2022 | (P) 5/15/2024 | 20 | AR | Homelessness | (P) 06/15/24 | (P) 07/15/24 | (P) 11/15/24 | (P) 05/15/25 | (P) 05/15/25 | N/A | N/A | \$8,721,574 | HOME ARP Grant | |

*Approved for **Approved for Hildago Lordsburg, Location County, Location change change pending pending approval

Q1: Added Peachtree Canyon II 4% and Turquoise Trail; closing dates-changed P to A La Plata, 9000 Veranda & Vista De Socorro; construction start date change P to A Felician Villa I & The Three Sisters. Construction completion date P to A for JLG Central (6), 6100 Harper Q2: Removed Ceja Vista & Hiland Plaza. Construction date change P to A Felician Villa II, Pedrena, Tierra Encantada, Encino Gardens, 120 La Plata, 9000 Veranda, Vista de Socorro; loan closed from P to A for Mountain View Q3: Added 9% Country Club, Somos, Ocate, Laguna #, Elk Meadows ; Added 4% Cresta Ranch; Added Loans Only Las Brisas; Updated construction start date from (P) to (A) on Felician Villa II, EMLI Wells of Artesia and 550 Paseo; Updated Completion Construction date (P) to (A) Laguna #3; Removed JLG Central (6 Pro 5/17/2024 and 6100 Harper Completed 8609 Received in April.

ANNUAL DISCLOSURE STATEMENT

To: NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) CHAIR AND EXECUTIVE DIRECTOR

From: Miguel Rivera (Member, Proxy, Management, Employee)

Date: 8/8/2024

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 the MFA. If the answer is **"none"**, please write **"none"**.

Name of Business: Antigua Cocina Mexicana, Los Cerritos Mexica Kitchen

If Employee Transaction, approximate value of the Transaction 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>None</u>

Signed: <u>///</u> NOTE: Use additional sheets as necessary.

Staff Actions Requiring Notice to Board During the Period of July 2024

| Department and Program | Project | Action Taken | Comments / Date Approved |
|---|---|--|--|
| Servicing Department | Loan Servicing Monthly Quality Control Report April 2024 | MFA contracted Moss Adams LLP to evaluate and test specific internal controls related to mortgage loan servicing for the month ended April 30, 2024. | Approved by Policy Committee on July 2, 2024 |
| Servicing Department | Loan Servicing Monthly Quality Control Report May 2024 | MFA contracted Moss Adams LLP to evaluate and test specific internal controls related to mortgage loan servicing for the month ended May 31, 2024. | Approved by Policy Committee on July 2, 2024 |
| Community Development Department Energy\$mart Weatherization | NMHTF award recommendation to Energy\$mart | Approved – New Mexico Housing Trust Fund award in the amount of \$250,000 to New Mexico Energy\$mart single-family service providers for whole house weatherization. Funds will be awarded to service providers as detailed below. Central New Mexico Housing \$125,000 Southwest Regional \$75,000 Red Feather Development \$50,000 | Approved by Policy Committee on July 2, 2024 |
| Community Development Department – HIP Emergency Housing Needs | HIP – Emergency Needs- Electrical Fire Edgewood (Quillen) | Approved - request to proceed with repairing the electrical service panel for a single-family home in Edgewood, NM belonging to Ms. Quillen in the amount of \$7,938.65 | Approved by Policy Committee on July 23, 2024 |
| Community Development Department – HIP Emergency Housing Needs | HIP - Emergency Needs- Process Improvement Request- | Approved - request to change the process approval for projects under \$75,000 by removing the need for PC approval. | Approved by Policy Committee on July 23, 2024 |
| Community Development Department – Home Improvement Program (HIP) | HIP - Approval to use NMHTF on three projects | Approved - to rehabilitate three single-family homes utilizing NMHTF's allocated to the program, for projects that are over the current program cap. | Approved by Policy Committee on July 30, 2024 |

| Department and Program | Project | Action Taken | Comments / Date Approved |
|--|--|--|--|
| Community Development Department – Restoring Our Communities (ROC) | ROC – Homebuyer Assistance | Approved – request to provide up to \$40,000 in homebuyer assistance from proceeds of resale of rehabilitated property, based on income. Approval of Program manager has discretion to approve projects 80% or above. If recovery rate falls between 75%-80% due to change orders, the program manager must seek approval from Chief Housing Officer. | Approved by Policy Committee on July 30, 2024 |
| Community Development Department- Energy\$mart Weatherization | NMHTF award recommendation to Energy\$mart | Approved – New Mexico Housing Trust Fund award in the amount of \$250,000 to New Mexico Energy\$mart single-family service providers for whole house weatherization. Funds will be awarded to service providers as detailed below. Central New Mexico Housing \$125,000 Southwest Regional \$75,000 Red Feather Development \$50,000 | Approved by Policy Committee on July 2, 2024 |

MFA Strategic Plan Benchmarks FY 2024

| Goal | 1 - Create affordable housing opportunities that support and strengthen New Mexico's communities |
|------|---|
| | Benchmark: 1 |
| | Benchmark: Provide mortgage financing for 1,800 homebuyers. |
| Q1 | On Target MFA financed 580 homebuyers in Q1 of FY 2024 and 580 homebuyers YTD. |
| Q2 | On Target MFA financed 598 homebuyers in Q2 of FY 2024 and 1,178 homebuyers YTD. |
| Q3 | On Target MFA financed 610 homebuyers in Q2 of FY 2024 and 1,788 homebuyers YTD. |
| Ð | Benchmark: 2 Benchmark: Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico. |
| | On Target |
| Q1 | The MFA quarterly product utilization reported for Q1 is 42.17% for a YTD average of 42.17%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase. |
| | On Target |
| Q2 | The MFA quarterly product utilization reported for Q2 is 34.6 % for a YTD average of 41.5%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase. |
| | On Target |
| Q3 | The MFA quarterly product utilization reported for Q3 is 50.67% for a YTD average of 46.09%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase. |
| Ð | Benchmark: 3 Benchmark: Finance the development and/or preservation of 1,800 rental and homeownership units. |
| | On Target |
| Q1 | In Q1, Housing Development financed the development of 321 multifamily units and 6 single-family units, Policy and Planning supported the preservation of 5 units through the Housing Innovation Program, and Community Development rehabilitated or weatherized 399 units. The YTD total of units developed and/or preserved is 731. |
| | On Target |
| Q2 | In Q2, Housing Development financed the development of 358 multifamily units and 0 single-family units, and Community Development rehabilitated or weatherized 174 units. The YTD total of units developed and/or preserved is 1,263. |
| | On Target |
| Q3 | In Q3, Housing Development financed the development of 56 multifamily units and no single-family units, and Community Development rehabilitated or weatherized 183 units. The YTD total of units developed and/or preserved is 1,502. |
| _ | Benchmark: 4 |
| 0 | Benchmark: Maintain a 35% exit rate of individuals experiencing homelessness served to permanent housing through ESG. |
| Q1 | On Target In Q1, 743 unduplicated ESG clients were served. Of those, 296 exited to permanent housing (39.8%). |
| | Caution |
| Q2 | In Q2, 1,066 unduplicated ESG clients were served. Of those, 319 exited to permanent housing (36.2%). YTD total served is 1,809, with 615 exiting to permanent housing. YTD rate is 34% |
| | Caution |
| Q3 | In Q3, 837 unduplicated ESG clients were served. Of those, 234 exited to permanent housing (27.95%). (*missing June EHAP totals as of 7.29.24 due to OIS being shut down*) YTD total served is 2,646, with 867 exiting to permanent housing. YTD rate is 33% |
| | Benchmark: 5 |
| T | Benchmark: Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%. |
| Q1 | On Target |

MFA combined average delinquency rate is at 8.52% as of 12/31/2023 FY Q1

- Q2 On Target | MFA combined average delinquency rate is at 6.82% as of 3/31/2024 FY Q2.
- Q3 On Target | MFA combined average delinquency rate is at 8.37% as of 6/30/2024 FY Q3.

Benchmark: 6

Benchmark: Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate (purchase loans only).

Caution |

Q1 Subserviced portfolio delinquency as of 12/31/2023 equals 12.97% which did not meet the target of 11.97% delinquency rate per FHA 10/30/2023 performance report.

On Target |

Q1 Subserviced portfolio delinquency as of 3/31/2024 equals 10.13% which met the benchmark of 13.15% (delinquency rate per 2/29/2024 FHA performance report).

On Target |

Q3 Subserviced portfolio delinquency as of 6/30/2024 equals 11.59% which met the benchmark of 12.17% (delinquency rate per 5/31/2024 FHA performance report).

Benchmark: 7

- Benchmark: Evaluate at least six new products, business model, financial tool or significant program or product improvements.
- Q1 On Target | Evaluated vendors for grants management system software solution. Board approval for FirstDown Plus. YTD 2

On Target |

Implemented LucidChart so that each grant program at MFA will have a process map - completion of process maps and end of LucidChart use expected around 8/15/2024. Housing Development met with Builder's Patch to evaluate their software program. Additionally as a business model a blend of Taxable and Tax Exempt Bonds was created for the first time at MFA. A Financing Tool was utilized to apply Surplus Funds to ensure COI payments were directed from it further bolster liquidity for MFA GF. YTD 4

Met |

Finance is evaluating a new software (Clearwater Analytics), which could support reporting to leadership and the board on MFA's outstanding bond portfolio. The software may additionally streamline other regular management tasks related to the bond portfolio, such as calculating and reporting on special redemptions to MFA's trustee. HD has met with ProLink to discuss a software platform for the LIHTC program. ProLink will be providing a presentation to the department. YTD 6.

Goal 2 - Build a network of advocates and partners that work to create and promote affordable housing in the state

Benchmark: 8

Benchmark: Achieve 8,400 social media engagements.

- Q1 On Target | Q1 3,508 social media engagements.
- Q2 On Target | Achieved 3,779 social media engagements for Q2, YTD 7,287.
- Q3 On Target | Achieved 6,469 social media engagements for Q3, YTD 13,756

Benchmark: 9

Benchmark: Expand services of at least three programs to an underserved area of the state.

On Target |

- Q1 NM Energy\$mart entered into contract with Red Feather to provide weatherization services specifically on the Navajo Nation territory. Funded a substance use disorder center under the Recovery Housing Program in Gallup. YTD: 2
- Q2 On Target | No updates
- Q3 Caution | No updates

Benchmark: 10

Benchmark: Conduct outreach to and/or assist at least 100 local governments, tribal governments, potential

new program partners and/or elected officials.

On Target |

CDD staff met with/presented to Barbara Thomas of Mid-Region Council of Governments, Ben E. Lujan, Martin Heinrich, NM Infrastructure Conference, Yvonne Maestas with Espanola Habitat for Humanity, NMCEH Housing for All Conference, and attended both the National and NM Weatherization Days.

MFA staff met with City of Clovis, Tucumcari and Clayton officials re: MFA's programs. Assisted the City of Rio Rancho, Valencia and Cibola counties with the Affordable Housing Act. Shared information with USDA representatives re: the Affordable Housing Act.

Q1

P+P PSFA, TDS, Los Alamos County Boards and Commissions, NMCEH, Mora County Housing Placemaking Work Group/Committee, Rep. Dixon Housing Town Hall.

Housing Development met with Commonplace Development re: potential 4% LIHTC project. Josh Quintana and Lisa Franks re: funding for potential projects in Belen. D. Schwab from Santa Fe County re: a new 4% project. Los Alamos County to discuss development in Los Alamos. Chris Meech to discuss development in Grants. HIT re: Risk Sharing on 12/12. Homewise to discuss Primero funding. HD Q1 total: 7 YTD: 28

Met |

P+P - Outreach for Single Family Development Grant Pilot Program: Southwest NMCOG, Town of Silver City, Ridge at Eastland Hills, San Felipe Pueblo Housing Authority, Ohkay. Environmental reviews: McCurdy County, Homewise, Tierra Del Sol, Albuquerque Housing Authority, Thomas Development Corp., and Albuquerque Healthcare for Homeless; program partners and elected officials Kirtland Partnership, Ventana Fund, met with 5/5 offices of the New Mexico federal congressional delegation, state representatives Alcon, Anyanonu, Armstrong, Borrego, Cates, Dixon, Hembree, Herndon, Matthews, Montoya, Rehm, and state senators Burt, Campos, Gonzales, Hamblen, Correa Hemphill, Hickey, Ivey-Soto, Maestas, McCutcheon, McKenna, Munoz, Nibert, Ortiz y Pino, Padilla, Pope, Rodriguez, Schemedes, Sedillo Lopez, Steinborn, and Tallman; Housing Innovation outreach to Ceasar Foundation, Many Hands, Cuido Los Ninos, San Felipe Pueblo, Sanitary Tortilla Factory, Chris Baca (not Yes Housing). P+P Total 54 for Q2. CDD conducted outreach at the NAEH Conference in San Francisco which resulted in participated of the Hope the Mission bike tour; met with UNM staff to discuss funding opportunity through RHP; met with the Carmichael Associates collaborative to discuss homeless prevention activities; outreach and networking at the HOME Conference in D.C.; met with Laura Ponce from TX and Southwest Regional about coordinating state to state peer exchange; and did email blast and press release for the launch of HIP. CDD Q2 total: 8. Housing

Q2

Development met with Francis Bee re: Gallup housing. Tony Baca of BacaGrande System Built re: Angelfire housing. Rick Davis re: SF development. BBF Live re: potential Las Cruces projects. Chuby Tafoya re: SF development in Taos. Erica Cummins and Renee Ward from DFA on 1/29 to discuss the Uptown project in Albuquerque. Jay Rembe re: a new MF project in Albuquerque. Jackie Dunlap, a real estate Investor/Developer re: a rehab project in Grants. Solstainable Builders re: SF Development in Taos. Albuquerque Housing Authority re Casitas de Camino project. China Osbourne of the COA's Preservation department re: funding opportunities for historic properties. Emergent Development to discuss a possible 4% project. Greater Gallup EDC and a manufacturing company out of California to discuss a potential project in Gallup. Kent Thurston re: SF Development in Las Cruces on 3/27. Tierra del Sol re: Vado New Horizons project; and Synergy CDC re: a potential 4% project. HD total for Q2: 16

SNMEDD COG attended/participated in meeting; NM Counties Federal & State Agency Expo; City of Jal call re: Affordable Housing Act and MFA Programs; Housing Roundhouse in Valencia County with Congresswoman Stansbury's Office; SWNMCOG Housing Collaborative (Hurley, Santa Clara and Bayard); 2024 Santa Fe Chamber Legislative Reception; Presented at Alamogordo Housing Summit; Las Vegas/San Miguel Chamber of Commerce – share information on MFA Programs; Presentation to Grants/Cibola County Chamber of Commerce; Presented to UNM DEIA Committee; Presented to Silver City/Grant County Chamber of Commerce; Consolidated Plan Public Hearings in Albuquerque, Santa Fe and Las Cruces; Presented at USDA Rural Partners Network; Presented at NM Electrification Leadership Summit; Otero County Housing Symposium; YTD 124

Q3 Met |

CDD staff conducted outreach as follows: 87th Annual NM Counties conference; NCNMEDD (Monica and Scott) for ROC; advertisement on the NM Bankers Digest and article in NM Counties E-News Brief; HIP did email blast from HubSpot and posted in three newspapers about the RFQ for contractors; email blast about RHP NOFA; spoke to 17 agencies that reached out for more info about RHP; meetings with EMNRD for solar projects; Decarbonization Group presentation; City of ABQ for PJ HOME Rehab funds; Espanola Habitat for Humanity; Supportive Housing Coalition and Barrett Foundation for Linkages voucher transfers; Catholic Charities for ESG/HOME-ARP voucher transfers; met with team at SWCC to talk about program, funding options, and connected them with Lisa Howley at BHSD for Medicaid options; attended CAT meetings in Belen to address homeless camps in Bosque and work plan to address housing needs (May and June); Contractor Outreach- reached over 60 Contractors about HIP/HOME Rehab program; Environmental Agencies- reached out to Environmental agencies for program services to provide testing for HOME program; Manufactured Housing- reached out to four mobile home dealers to provide coverage for 8 counties.

PP Staff Outreach P+P met with Representative Marrian Matthews, ROC USA, NM Housing Alliance, NMSU Extension Annual Health Fair, NMBA Bankers Forum, Santa Rosa/Gaudalupe County, Northern NM College, NM CEH, NM Eviction Prevention and Diversion, HCA/BHSD Supportive Housing Retreat, Mesilla Valley Community of Hope and Senator Carrie Hamblen, City of Las Cruces, City of Albuquerque, Crooked Forest Institute (4/1/2024- Housing Innovation), Dave Tomlin (4/3/2024- Housing Innovation), Santa Fe Chamber of Commerce Business Expo (4/18/2024- MFA exhibitor table), MFA, Kirtland Partnership Community & Office of Local Defense Community Cooperation (4/24/2024), Gallup Housing Summit (4/26/2024), Energy Conservation Management Division (4/29/2024- PRICE Collaboration), PRICE Partner Engagement Session (5/2/2024), PRICE Tribal Partner Engagement Session (5/2/2024), Chavez Team Albuquerque (5/8/2024- Housing Innovation), Supportive Housing Coalition (6/3/2024- PRICE), City of Carlsbad (6/17/2024- Planning grant opportunities), Dona Ana County (6/17/2024- Planning grant opportunities), Village of Angel Fire (6/2024 – CPF), MU Crossing LLC (6/2024 – CPF). HD met with Namu Development, Synergy CDC and the Calvin Organization, all developers interested in working in NM, in the 3rd Quarter. HD presented at the NWNMCOG (4/17/24). Q3 Total: 138. YTD 262

Benchmark: 11

Benchmark: Provide at least 75 formal group training opportunities for property owners, developers, service providers and/or lenders.

On Target |

- Q1 CDD conducted 13 Peer Exchanges/Networking Meetings. P+P Single Family Development Grant NOFA training for tribal entities. Mortgage Operations conducted 16 trainings. Housing Development held the LIHTC Fundamentals Training, the 2024 QAP training, and the Carryover Training. YTD: 33
- Q2 On Target | CDD conducted 16 Peer Exchanges/Networking Meetings. Homeownership conducted 23 formal training sessions. YTD: 72
- Q3 Met | CDD conducted 18 Peer Exchanges/Networking Meetings. . Homeownership conducted 20 formal training sessions YTD: 110

Benchmark: 12

- Benchmark: Plan the MFA housing summit, open house, or networking event.
- Q1 New | Selected venue for 2025 Housing Summit.

Selected Event Coordinator for Housing Summit.

Q2 On Target | Kicked off Planning meetings for Open House (2024) and Housing Summit (2025).

On Target |

Open House: Planning Committee has met to determine catering, décor, and other event details. Timeline for Save the Date and invitations along with list of invitees has been determined.

Q3

Housing Summit: Plenary Speakers have been chosen and review of contracts will be completed in Quarter 4. Vendor for videography services has been finalized and contract executed. Vendor for conference app and registration portal has been chosen and contract executed.

Goal 3 - Maintain judicious financial stewardship and principled, efficient business practices

Benchmark: 13

Benchmark: Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.

Met |

Q1 Audit issued with an unmodified opinion and no material weaknesses. Audit was approved by State Auditor's Office 1/12/2024 and by Board 1/17/2024.

| Ð | Benchmark: 14 Benchmark: Maintain or improve credit rating. |
|----|---|
| Q1 | There was no issuer rating activity during the quarter; On Target MFA maintains a Aa3 rating on its issuer credit rating. |
| Q2 | On Target There was no issuer rating activity during the quarter; MFA maintains a Aa3 rating on its issuer credit rating. |
| Q3 | On Target There was no issuer rating activity during the quarter; MFA maintains a Aa3 rating on its issuer credit rating. |
| Ð | Benchmark: 15 Benchmark: Achieve operating performance and profitability equal to net revenues over total revenues of at least 8.98%, based on five-year average. |
| Q1 | Caution Operating performance and profitability as of 12/31/2023 is 8.58%. |
| Q2 | On Target Operating performance and profitability as of 3/31/2024 is 11.36%. |
| Q3 | On Target Operating performance and profitability as of 6/30/2024 is 10.93%. |
| Ð | Benchmark: 16 Benchmark: Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 24.82%, based on five-year average. |
| Q1 | Caution Balance sheet strength as of 12/31/2023 is 23.81%. |
| Q2 | Caution Balance Sheet strength as of 3/31/2024 is 23.93%. |
| Q3 | Caution Balance sheet strength as of 6/30/2024 is 23.48%. |
| Ð | Benchmark: 17 Benchmark: Realize administrative fee of at least 18 basis points on all bond issues. |
| Q1 | On Target 2023 Series D closed in Q1 with an administrative fee of 0.18%. |
| Q2 | On Target 2024 Series A/B closed in Q2 with an administrative fee of 0.18% |
| Q3 | On Target 2024 Series C/D closed in Q3 with an administrative fee of 0.18%. |
| Ð | Benchmark: 18 Benchmark: Realize profitability of 0.5% on TBA executions. |
| Q1 | On Target MFA settled HomeForward loans via TBA in Q1; loans settled during the quarter (i.e., since the beginning of the fiscal year) realized a profitability of 1.63%. |
| Q2 | On Target MFA settled HomeForward loans via TBA in Q2; loans settled during the quarter realized a profitability of 1.73%. |
| Q3 | On Target MFA settled HomeForward loans via TBA in Q3; loans settled during the quarter realized a profitability of 1.75%. |
| Ð | Benchmark: 19 Benchmark: Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio. |
| Q1 | On Target Servicing fee yield is on target at .39% |
| Q2 | On Target Servicing fee yield is on target at .45%. |
| Q3 | On Target Servicing fee yield is on target at .39%. |
| ÷ | Benchmark: 20 Benchmark: Earn 100% base fees for PBCA contract. |
| Q1 | On Target All PBCA tasks were completed as required by the contract, and 100% of the base fees were earned for this quarter. |
| Q2 | On Target As of 3/31/2024, all PBCA tasks were completed as required by the contract, and 100% of the base fees were earned. |

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On Target |

- Q3 As of June 30, 2024 all PBCA tasks were completed as required by the contract, and 100% of the base fees were earned for this quarter. Benchmark: 21 Benchmark: Yield a collection rate of 98% or greater for compliance monitoring fees. Q1 On Target | Invoices for compliance fees were processed and sent out to owner/agents this quarter. Q2 Caution | As of 3/31/2024, 96.7% of the fees have been collected. Q3 Met | As of June 30, 2024, 99% of Compliance fees have been collected. Benchmark: 22 Benchmark: Meet commitment and expenditure requirement of 95% of recurring grant funding. Q1 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 12/31/2023 Q2 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 3/31/2024 Benchmark: 23 Benchmark: Commit 75% of STB recurring funding annually in resources for affordable housing through expenditure of New Mexico Housing Trust Funds by June 30, 2024. Q1 On Target | Committed 49.96% rounded to 50% of the STB funding as of Dec. 31, 2023. Q2 Met | Committed 100% of STB recurring funding and expended 18% as of March 31, 2024. Met | Q3 Committed 100% of STB recurring funding was procured, \$33,112,498 (88%) was awarded, and \$13,901,830.28 (37%) was expended as of June 30, 2024. Benchmark: 24 Benchmark: Increase funding by at least one new source. Q1 Met | City of Albuquerque for the Landlord Engagement Program (\$303,335.00) Q2 Met | New Mexico Legislative Appropriation \$50 million. YTD 2 Met | \$1,000,000 awarded to MFA by Congresswomen Melanie Stansbury through the Community Project Funding (CPF) program for transitional housing for women and children. Q3 \$1,670,000 awarded to MFA by EMNRD/ECMD through the Community Energy Efficiency Development (CEED) Program for "bringing fuelswitching and lower energy cost to rural New Mexico." (4/19/2024) YTD 4 Benchmark: 25 Benchmark: Improve at least 15 MFA processes or resources. On Target | Servicing implemented shortening the time to process One Time ACH Payments in order to clear payments sooner and reduce NSF activity. CDD: 1) Worked with IT to update the county report fields in online invoicing system to improve accuracy of data reported by providers; 2)
 - Received DOE authorization to conduct Quality Control Inspections simultaneously while doing monitoring visits, thus saving staff time, Q1 agency time, and helping to hit the 5% QCI requirement; 3) WAP is now using smart tablets to make inspections more professional and organized; 4) Project request was submitted for Invoicing notifications to be sent to Service Providers for all Programs reminding them when invoices are due or if they are late, which is helping to better track expenditure rates; 5) Updated Rehab checklist to create less redundancy for HOME rehab providers; 6) As a result of the new HOPWA Networking Group discussions, staff is now working with service providers on a monthly basis to prepare for the annual HOPWA CAPER in smaller sections to ensure that providers know how and what to report. Streamlined public inquiries for assistance through Hubspot by type of inquiry. YTD: 8

Q2 Met

Finance: 1) Developed a comprehensive checklist that captures all milestones for each bond issue and ensures that MFA meets all obligations. Researched, spoke with our advisors and other industry professionals, and implemented this quarter a term sheet-formatted cover sheet to the Official Statement; the change caters to investor preferences and could lead to oversubscription of MFA's bonds. 2) Streamlined the annual cash flow report from a 38-page report to a 5-page report and 1-page executive summary in order to highlight the most critical information. MFA also requested that its Financial Advisor complete the report's analysis rather than staff, and released its software licenses, leading to cost savings both in staff time and software. 3) Completed a thorough analysis of MFA's growing interest expense, which shed light on increasing Days Outstanding between the Pool and Purchase stages. 4)Developed a Process Map and Gantt Chart that showed potential process chokepoints in order to lower incurred expenses. 5) Improved the Monthly Financial Review (which MFA presents to the Board quarterly), which included a reorganization of existing information, development of new charts that better showcase MFA's financial progress, and tying year-over-year changes to a baseline materiality threshold. Also implemented a monthly Financial Dashboard, used by CEO to answer finance-related inquiries by the board in an efficient manner.

CDD: 1) Added annual Renewal Packet docs to Online Invoicing System to streamline provider renewal process; 2) WAP purchased tablets to aid in inspections, as opposed to using cell phones; 3) Added "total exits" to County Report tab in Online Invoicing System to stop providers from hand-counting each month; 4) Worked with IT on monitoring letter and QC development to more efficiently create, review, and respond to monitoring letters. Housing Development 1) Evaluated and recommended improvements to the Land Title Trust Fund program; and 2) Streamlined the Single Family Development Loan application process for non-federal funding programs. Implementation of Outreach Checklist for all outreach events. Environmental review improvements related to tracking of mitigation and monthly meetings with HD and CDD to ensure all timelines are met. NMHTF Program Income model was improved and updated internally. NMHTF Investment Income Model created YTD: 22

Met |

CDD: 1) changed Linkages policy to allow 150 days for clients to find housing after voucher is issued; 2) streamlined monitoring docs in Tracker for ESG/HOME-ARP; 3) at our request, DOE approved the use of the online energy audit for the single family providers. This saves hours of time for both the providers and MFA, and allows our technical team to easily review any energy audit entries for any home completed this program year; 4) work with Monte Frank to streamline and bring HOME Rehab into compliance and update manuals; 5) HIP

Q3 is now checking the WAP database for cases that were previously weatherized prior to sending to Project Manager for initial inspection, so there is an idea of what was replaced and it serves as a QC for weatherization but also helps in determining the rehab scope of work; 6) Moved Linkages to SHC and Barrett and ESG/HOME-ARP to Catholic Charities; 7) Received approval from PC for additional WAP Program Manager; 8) Released new Risk Assessment Tool that is better set up to determine agency risk and changed monitoring requirements based on assessment ratings; 9) Master Contracts and FSAs - providers only sign one master contract per program year and then one FSA for each program they administer rather than both for every program. P+P developed and implemented NMHTF dashboard for reporting and fund tracking. YTD: 32

Goal 4 - Provide robust technological solutions

Benchmark: 26

Benchmark: Maintain a RS3 score greater than or equal to 780, averaged over four quarters.

On Target |

Q1 MFA's internal and external penetration testing will be completed in Q2. MFA received a RiskSense Security Score (RS3) of 815 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

On Target |

Q2 MFA's internal and external penetration testing was completed in Q2. MFA received a RiskSense Security Score (RS3) of 820 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

On Target |

MFA's internal and external penetration testing executive report highlighted a total of 845 findings (3 Critical, 64 High, 623 Medium, 154
 Low, and 1 Informational) all Critical and High items have been resolved, along with over 100 of the medium items. MFA received a Ivanti Security Score (RS3) of 816 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

Benchmark: 27

Benchmark: 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.

On Target |

Q1 The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.

Q2 On Target |

The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.

On Target |

Q3 The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.



Benchmark: 28

Benchmark: Implement new software solutions.

Met

- Q1 Completed the implementation of historical data from MITAS to PowerLender, add new funding sources to NM EnergySmart Online system, Veterans Rehab NMAHCT Match, Severance Tax Bond Disabled Veterans Rehab, and migrated Master Contact List to Hubspot. Implementation of Beanworks for Accounts Payable.
- Q2 Met | Started the implementation of Amplifund.

Met |

Implemented Tracker integration that allows providers the ability to send/receive monitoring visits information to NMES and Secure File Transfer for the remaining providers that do not use the Online Invoicing system, also added the contract renewal process to Online Invoice

Q3 so the service providers can submit their renewal package via the online system. Automated Job Postings on the public website to link to ADP. HR can update the job posting in ADP and it will automatically add and remove the job posting to the public website. MITAS Servicing conversion to web. Automated creation of Power Lender purchase file for Homeownership to upload into MITAS, this downloaded 3 files from PowerLender SFTP site and combines them into one file to upload into MITAS.

Goal 5 - Foster a healthy, dynamic and team-oriented work environment

Benchmark: 29

Benchmark: Participate in Annual Employee Engagement Survey and determine and implement actionable steps to address opportunities for improvement.

Q2 On Target | Engagement survey underway. Survey closes April 26, 2024 with outcome of results end of May 2024

Q3 New | Complete. Priorities identified for low scoring items.

On Target |

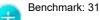
Q1 Board Approval of the renovation budget received. Contracts for solar panel removal and re-roof executed in Q1. Planning meetings with all Departments. Secondary internet installed.

New |

Q2 Transition meetings continue. Furniture and appliances at the Jefferson location were moved to a storage area in the event they are needed in the future. As well, there were about 21 industrial size shelving units dismantled and stored. Re-roof complete, demolition and construction began, access door and security system was transferred to MFA.

On Target |

Planning committees are meeting regularly to create a moving timeline with assigned tasks and milestones for an anticipated September
 2024 move. Committee members disseminate information to the respective department staff. External signage has been installed.
 Renovations continue on schedule and key staff meet with contractor and architect weekly. Most of the internal painting has been done and carpet installed in most work areas. Systems furniture is being re-assembled.



Benchmark: Complete compensation review.

- Q2 On Target | Initial stages underway
- Q3 New | Compensation study complete. Analysis is underway for potential changes.

Benchmark: 30

Benchmark: Plan move to 7425 Jefferson St. NE.

QUARTERLY INVESTMENT REPORT 6/30/2024 – EXECUTIVE SUMMARY

- MFA made no liquidations from the State Investment Council (SIC) portfolio in the third quarter of FY 2024. As of June 27th, 2023, MFA securitized approximately \$13.2 million in whole modified loans, that had interest rates too low to sell competitively in the market. These were spread across intermediate and long-term investments to serve MFA until maturity or to be sold at a future date. MFA has continued to work closely with its investment advisor, Ulrich Investment Consultants, to resolve this issue.
- 2. The bond ladder has underperformed its benchmark; staff expect to re-invest at higher rates over the next few quarters. During the third quarter of FY 2024, two bonds in MFA's bond ladder matured. In anticipation of the proposed rebalancing, staff liquidated these securities and reinvested the funds in the Local Government Investment Pool (LGIP) until further notice.
- 3. In July 2023, the FOMC (Federal Open Market Committee) raised its effective federal funds rate to 5.33%, where it has continued to stay.
- 4. The SIC (State Investment Council) portfolio has slightly underperformed relative to its benchmarks in the third quarter of FY 2024. As of June 30, 2024, it is yielding 12.34% fiscal year to date. The leading performer in this quarter was the US large cap index equity fund, returning 24.48%, followed by the US small/mid cap fund (16.18%).
- 5. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund (Credit Plus Pool), has experienced a rate of return of 8.24%.
- 6. As of the third quarter of FY2024, interest income is 94% of the total annual budgeted interest income, driven by macroeconomic tail winds.
- 7. As of June 30, 2024, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

| Asset Class | 6/30/24 Balance | Yield/Rate of Return | Benchmark Rate of Return |
|--|--------------------|-------------------------|--------------------------------|
| Cash Held for Operations/Warehoused MBS | \$7,655,011 | Various | n/a |
| Local Government Investment Pool | \$12,581,931 | 5.33% | n/a |
| Bond Ladder | \$12,972,388 | 3.55% | 4.62% |
| MFA's Mortgage-Backed Securities-Intermediate Term | \$10,739,185 | 4.63% | n/a |
| MFA's Mortgage-Backed Securities-Long Term | \$12,402,793 | 2.92% | n/a |
| Credit Plus Pool (SIC) | \$13,584,262 | 7.27% | 6.06% |
| Large Cap Index Equity Fund (SIC) | \$5,654,602 | 24.48% | 27.88% |
| Small/Mid Cap Fund (SIC) | \$606,358 | 16.18% | 16.00% |
| Non-US Developed Markets Fund (SIC) | \$737,968 | 13.48% | 16.76% |
| Non-US Emerging Markets Fund (SIC) | \$1,084,884 | 14.69% | 16.01% |

Housing Trust Fund:

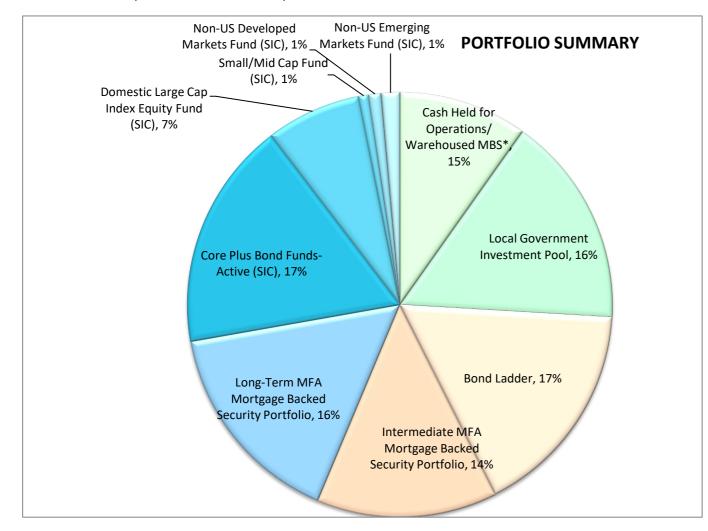
| Assat Class | 6/30/24 | Yield/Rate of | Benchmark |
|----------------------------------|-------------|---------------|----------------|
| Asset Class | Balance | Return | Rate of Return |
| Core Plus Bond Fund-Active (SIC) | \$5,845,609 | 8.24% | 6.06% |

SEMIANNUAL GENERAL FUND INVESTMENT COMPLIANCE REPORT (AS OF JUNE 30, 2024)



| MFA Housing New Mexico | Delia | Deller | Current | Portfolio | Portfolio | | |
|---|-----------------------|-----------------------|-------------------|----------------------------|-----------------------|-----------------|--------|
| The t | Policy Requirement | Policy Requirement | Portfolio | Weighting by Investment | Weighting by Asset | Within Limit | |
| ASSET CLASS | Target | Range | Carrying Value | Horizon | Class | Range | |
| | | | | | | | |
| Short-Term Investments (Less than 1 year) | 20% | 15%-25% | \$ 20,236,942 | 26% | | No | Year o |
| Cash Held for Operations/Warehoused MBS* | 14% | 9%-19% | \$ 7,655,011 | | 10% | Yes | genera |
| Local Government Investment Pool | 6% | 1%-11% | \$ 12,581,931 | | 16% | No | quarte |
| Intermediate-Term Investments (1 to 10 years) | 40% | 35%-45% | \$ 23,711,573 | 30% | | No | MFA c |
| Bond Ladder | 27% | 22%-32% | \$ 12,972,388 | | 17% | No | portfo |
| Intermediate MFA Mortgage Backed Security Portfolio | 13% | 8%-18% | \$ 10,739,185 | | 14% | Yes | progre |
| | | | | | | | active |
| Long-Term Investments (More than 10 years) | 40% | 35%-45% | \$ 34,070,867 | 44% | | Yes | this. |
| Long-Term MFA Mortgage Backed Security Portfolio | 4% | 0%-9% | \$ 12,402,793 | | 16% | No | |
| Core Plus Bond Funds-Active (SIC) | 12% | 7%-17% | \$ 13,584,262 | | 17% | Yes | Two b |
| Domestic Large Cap Index Equity Fund (SIC) | 11% | 6%-16% | \$ 5,654,602 | | 7% | Yes | and in |
| Small/Mid Cap Fund (SIC) | 5% | 0%-10% | \$ 606,358 | | 1% | Yes | electe |
| Non-US Developed Markets Fund (SIC) | 6% | 1%-11% | \$ 737,968 | | 1% | Yes | placed |
| Non-US Emerging Markets Fund (SIC) | 2% | 0%-7% | \$ 1,084,884 | | 1% | Yes | revise |
| | | | \$ 78,019,382 | | 100.00% | | |
| | | | | | | | |

*Does not include capital borrowed for loan operations or restricted funds.



SIC FUND ALLOCATION

| | Policy | Act |
|----------------------------|--------|-----|
| | | |
| SIC Core Plus Bond-Active | 33% | 63 |
| SIC Large Cap Index Equity | 31% | 26 |
| Small/Mid Cap Index | 14% | 39 |
| Non-US Developed Markets | 17% | 39 |
| Non-US Emerging Markets | 6% | 5% |
| | | |

BOARD ACTIONS

August 2005 - approved General Fund Investment February 2008 - approved new Large Cap Index ETF Pool January 2009 - approved Revision to Investment Policy October 2010 - Approved Revision to Investment Policy May 2011 - Approved revision to Investment Policy April 2012 - Approved revision to Investment Policy April 2013 - Approved revision to Investment Policy April 2016 - Approved revision to Investment Policy October 2017 - Approved revision to Investment Policy December 2020-Board affirmed current Investment Policy January 2023-Approved revision to Investment Policy

Quarter Summary

over year, MFA's investments are yielding a erally higher return than they did as of the third rter of FY 23.

a continued to work on rebalancing the investment tfolio to meet policy requirement targets; while gress was made, some targets still lag and MFA is vely working with our investment advisor to resolve

bonds matured during the quarter; in both cases, in anticipation of an eminent rebalance, MFA ted to liquidate these securities, where they were ed into the LGIP until the investment policy is sed.

tual

3% 6% 3% 3% 5%

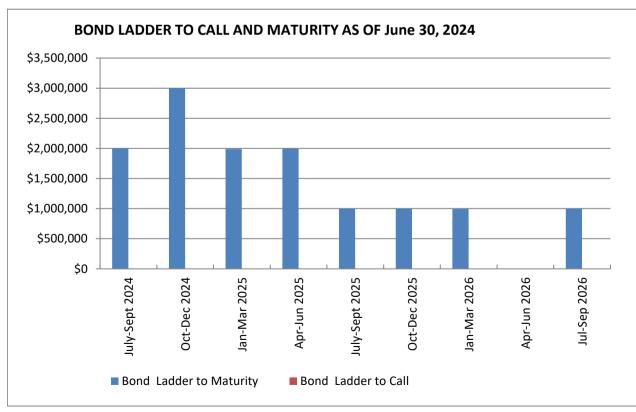


PORTFOLIO SUMMARY - Short & Intermediate Investments

| MFA Housing New Mexico | Y | Book Value D/Quarter 3 | YT | Book Value D/Quarter 3 | (YTI | Inrealized Gain/Loss D/Quarter 3 | Yield to Maturity YTD/Quarter 3 | Yield to Matuity YTD/Quarter 3 |
|---|----|---------------------------|----|---------------------------|----------|--|---------------------------------------|--------------------------------------|
| General Fund | as | of 6/30/2024 | as | of 6/30/2023 | as of | 6/30/2024 | as of 6/30/2024 | as of 6/30/2023 |
| Short-Term | | | | | | | | |
| Cash Held for Operations/Warehoused MBS* | \$ | 7,655,011 | \$ | 5,494,598 | | N/A | Various | Various |
| Local Government Investment Pool | \$ | 12,581,931 | \$ | 11,055,620 | | N/A | 5.33% | 5.07% |
| Intermediate-Term | | | | | | | | |
| Bond Ladder | \$ | 12,972,388 | \$ | 13,997,452 | \$ | (93,405) | 3.55% | 0.33% |
| MFA Mortgage Backed Security Portfolio | \$ | 10,739,185 | \$ | 12,008,538 | \$ | (402,480) | 4.63% | 4.69% |
| Yield to Maturity for Intermediate-Term Investments | | | | | | | 4.04% | 2.34% |
| Total Short & Intermediate-Term | \$ | 43,948,515 | \$ | 42,556,208 | \$ | (495,885) | | |

*Does not include capital borrowed for loan operations or restricted funds.

**Weighted average maturity.



BOND LADDER SECTOR ALLOCATION

|] | Book Value | % of Total Dollars |
|--------------------------|-------------------|-----------------------|
| Fannie Mae | \$ - | 0% |
| Federal Farm Credit Bank | \$ 4,995,397 | 39% |
| Federal Home Loan Bank | \$ - | 0% |
| Freddie Mac | \$ - | 0% |
| US Treasury | \$ 7,976,991 | 61% |
| Total | \$ 12,972,388 | 100% |

INVESTMENTS PURCHASED IN THE FIRST QUARTER OF FY 2024

| | | Interest | | | |
|----------------|------------------|----------|--------|-----|------------|
| Date Purchased | Security | Rate | YTM | Dol | lar Amount |
| 3/18/2024 | US Treasury Note | 4.500% | 4.630% | \$ | 1,000,000 |

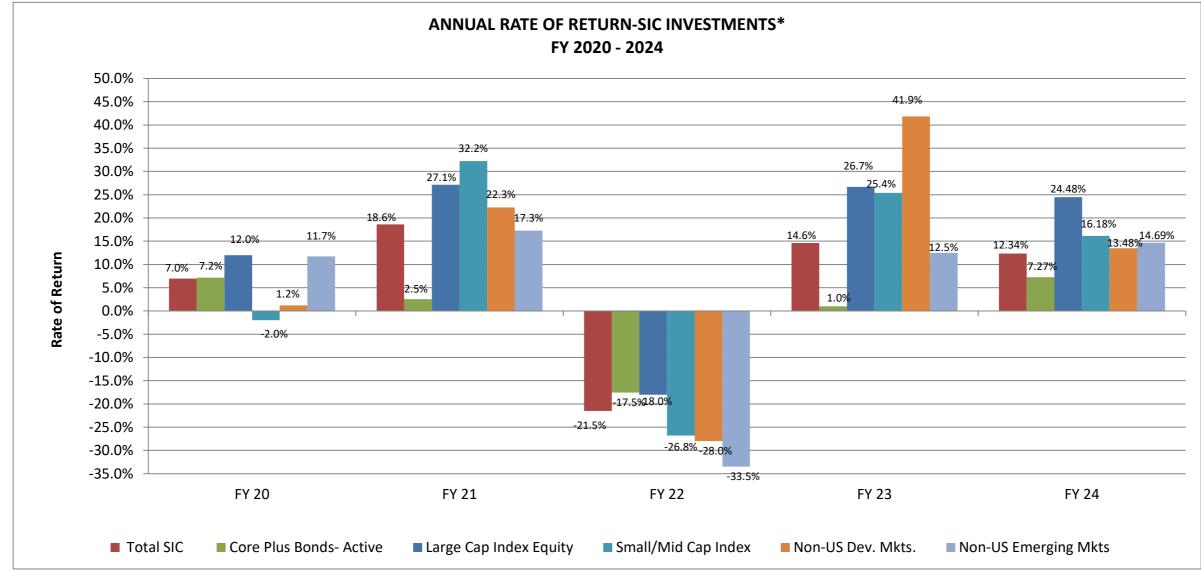
PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments



| General Fund Long Term | т | ook/Market Value D/Quarter 3 of 6/30/2024 | ΥT | ook/Market Value D/Quarter 3 of 6/30/2023 | Y | lized/Realized** Gain/Loss ID/Quarter 3 of 6/30/2024 | ΥT | lized/Realized** Gain/Loss D/Quarter 3 of 6/30/2023 | Rate of Return YTD/Quarter 3 as of 6/30/2024 | Rate of Return YTD/Quarter 3 * as of 6/30/2023 |
|--|----|--|----|--|----|---|----|--|---|---|
| | | 01 07 007 2024 | | 01 07 007 2020 | | 010/00/2024 | | 01 07 007 2020 | | 45 01 07 007 2025 |
| MFA's Mortgage Backed Securities Portfolio | \$ | 12,402,793 | \$ | 13,531,270 | \$ | (1,834,385) | \$ | (1,750,615) | 2.92% | 2.68% |
| State Investment Council (SIC): | | | | | | | | | | |
| Credit Plus Pool | \$ | 13,584,262 | \$ | 6,304,853 | \$ | 421,278 | \$ | 117,722 | 7.27% | 5.14% |
| Domestic Large Cap Index Equity Fund | \$ | 5,654,602 | \$ | 7,397,937 | \$ | 1,175,682 | \$ | 1,404,540 | 24.48% | 22.39% |
| Small/Mid Cap Fund | \$ | 606,358 | \$ | 3,125,927 | \$ | 86,791 | \$ | 387,362 | 16.18% | 14.02% |
| Non-US Developed Markets Fund | \$ | 737,968 | \$ | 3,741,570 | \$ | 78,546 | \$ | 698,078 | 13.48% | 23.18% |
| Non-US Emerging Markets Fund | \$ | 1,084,884 | \$ | 967,644 | \$ | 118,643 | \$ | 119,896 | 14.69% | 15.77% |
| Total State Investment Counsel | \$ | 21,668,074 | \$ | 21,537,931 | \$ | 1,880,939 | \$ | 2,727,598 | 12.34% | 15.69% |
| Total Long-Term Investments | \$ | 34,070,867 | \$ | 35,069,201 | \$ | 46,554 | \$ | 976,983 | | |

*SIC rate of returns are year to date, not annualized.

**Fair Market Value adjustments on the mortgage backed security portfolio are unrealized, however, they are realized on the SIC portfolio.



*FY 24 represents those returns from 10/1/2023 - 6/30/2024 and are thus subject to change.

PORTFOLIO SUMMARY - New Mexico Housing Trust Fund

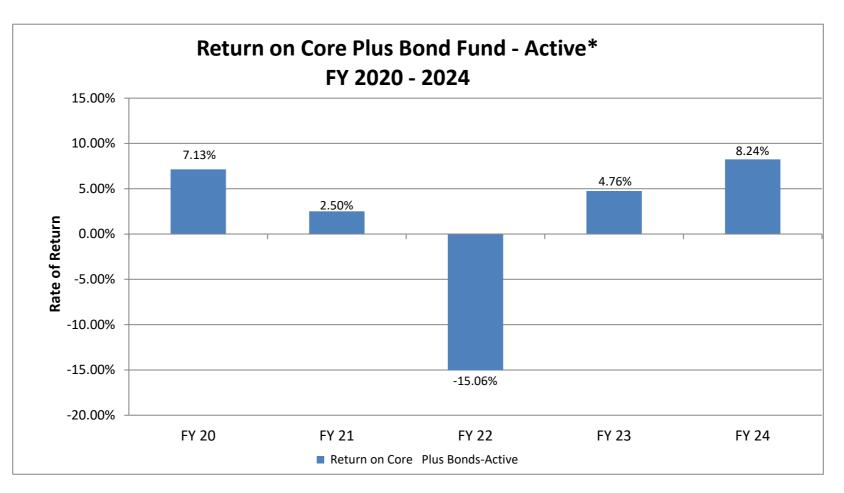


| MFA Housing New Mexico | УТ | Market Value D/Quarter 3 | YT | Market Value D/Quarter 3 | G | Realized ain/Loss /Quarter 3 | G | Realized ain/Loss /Quarter 3 | Rate of Return YTD/Quarter 3 | Rate of Return YTD/Quarter 3 |
|--|----|--------------------------------|----|--------------------------------|----|------------------------------------|----|------------------------------------|------------------------------------|------------------------------------|
| Housing Trust Fund | | of 6/30/2024 | | of 6/30/2023 | | 6/30/2024 | | 6/30/2023 | as of 6/30/2024 | as of 6/30/2023 |
| State Invesment Council (SIC): Core Plus Bond Fund-Active | \$ | 5,845,609 | \$ | 9,687,155 | \$ | 298,256 | \$ | 317,348 | 8.24% | 5.92% |
| Total State Investment Council | \$ | 5,845,609 | \$ | 9,687,155 | \$ | 298,256 | \$ | 317,348 | 8.24% | 5.92% |

SIC FUND ALLOCATION

SIC Core Plus Bond-Active

100% 100%



*FY 24 represents those returns from 10/1/2023 - 6/30/2024 and are thus subject to change.

GENERAL FUND INVESTMENT PORTFOLIO - METRICS

| Asset Class | S&P Rating | Moody's Rating | | Budget Annual Interest Income FY2024 | - | Actual Annual Interest Income D/Quarter 3) 6/30/2024 | Interest Income Earned of Total Budget (YTD/Quarter 6/30/2024 |
|--|--|--------------------------------------|----------|--|---------|---|--|
| | | | <u> </u> | 770 000 | ć | F (F 440 | - |
| Cash Held for Operations/Warehoused MBS | | | \$ | 778,086 | \$ | 565,118 | 7. |
| Local Government Investment Pool | AAAm | | \$ \$ | 261,066 | \$ | 282,643 | 10 |
| Bond Ladder | | | Ş | 99,100 | \$ | 190,606 | 19 |
| Fannie Mae | | Aaa/Stable | | | | | |
| Federal Farm Credit Bank | | Aaa/Stable | | | | | |
| Federal Home Loan Bank | | Aaa/Stable | | | | | |
| Freddie Mac | | Aaa/Stable | ć | 002.075 | ÷ | | C. |
| MFA Mortgage Backed Security Portfolio | | Aa3/Stable | \$ | 893,975 | \$ | 566,644 | 6 |
| Intermediate Term | AA+ | Aa3/Stable | | | | | |
| Long-Term | AA+ | Aa3/Stable | ć | 252 452 | Å | 627.074 | 47 |
| State Investment Council Core Plus Bond Fund-Active | | | \$ | 353,452 | \$ | 627,871 | 17 |
| | | | | | | | |
| Large Cap Index Equity Fund Small/Mid Cap Fund | | | | | | | |
| Non-US Developed Markets Fund | | | | | | | |
| Non-US Emerging Markets Fund | | | | | | | |
| Non-os Emerging Markets i unu | | | Ś | 2,385,679 | \$ | 2,232,882 | 9 |
| | | | Ŷ | 2,000,070 | Ŷ | 2,202,002 | 5 |
| Asset Class Benchmarks | Yield to Maturity/ Rate of Return (YTD/Quarter 3) 6/30/2024 | Benchmark Yield/Rate of Return | | | | | |
| | | | _ | | | | |
| State Investment Council | | | | | | | |
| Credit Plus Pool | 7.27% | 6.06% | | - | | ate Statistics Inc | ex |
| Large Cap Index Equity Fund | 24.48% | 27.88% | | ssell 1000 Inc | | | |
| Small/Mid Cap Fund | 16.18% | 16.00% | | ssel 2500 Ind | | | |
| Non-US Developed Markets Fund | 13.48% | 16.76% | | SCI EAFE (net) | | | |
| Non-US Emerging Markets Fund | 14.69% | 16.01% | MS | SCI Emerging | Marke | ets Index (net) | |
| Cash Held for Operations/Warehoused MBS | Various | N/A | | | | | |
| Local Government Investment Pool | 5.33% | N/A | | | | | |
| Bond Ladder | 3.55% | 4.62% | ICE | BofA 1-3 Yea | ar US A | Agency Index (Da | aily avg. 2-year |
| | | | ret | urn) | | | , с , |
| MFA Mortgage Backed Security Portfolio | | | | | | | |
| Intermediate Term | 4.63% | N/A | | | | | |
| Long-Term | 2.92% | N/A | | | | | |
| | | | | | | | |
| Housing Trust Fund | | | | | | | |
| Core Plus Bond Fund-Active | 8.24% | 6.06% | | | | | |
| 1% or more under benchmark | | | | | | | |
| In line with Benchmark | | | | | | | |

In line with Benchmark

1% or more above benchmark

et er 3)

73% 108% 192%

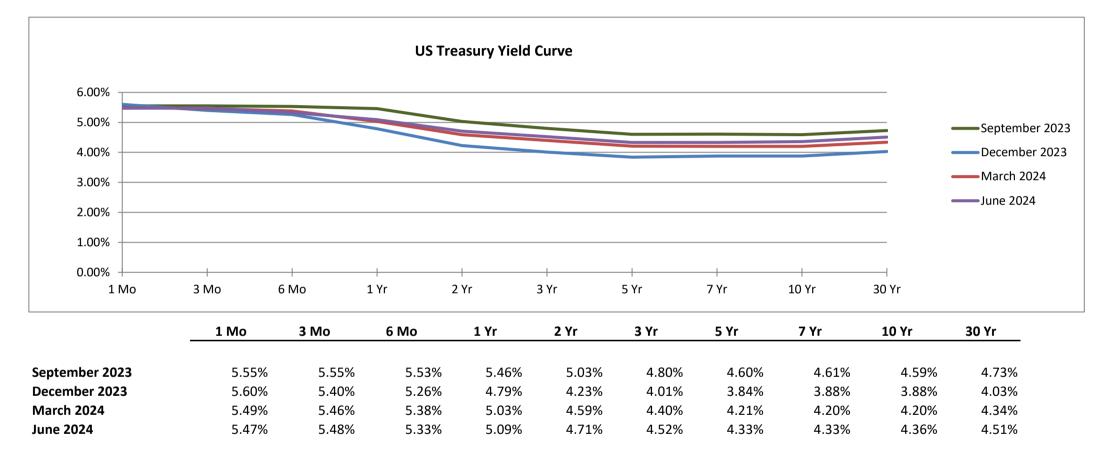
63%

178%

94%

Economic Indicators

| | 5/31/2024 | 5, | /31/2023 | | 6/3 | 80/2024 | 6/30/2023 |
|-------------------------|------------|----|----------|----------------------------|-----|---------|-----------|
| US Median Home Price | \$ 424,500 | \$ | 401,100 | Federal Funds Rate | | 5.33% | 5.08% |
| NM Median Home Price | \$ 353,000 | \$ | 326,465 | Consumer Price Index (yoy) | | 3.00% | 3.00% |
| US Median Family Income | \$ 102,364 | \$ | 91,384 | Unemployment Rate | | 4.10% | 3.60% |
| Real GDP (yoy)* | 3.00% | 6 | 2.50% | DJIA** | | 1.12% | 19.78% |
| | | | | Average US Gas Price | \$ | 3.58 | \$ 3.68 |
| | | | | WTI Oil Spot Price | \$ | 81.54 | \$ 70.64 |



Source: U.S. Department of the Treasury

**Cumulative return for the FY period 10/1 through 9/30 which is four quarters of each respective fiscal year.

| | | | | | | , | | | | | | |
|--|-------------------------|-----------------|------|---------------------|------|--|------|----------------------|---------------|---|-----------------------------------|-------------------|
| lew Mexico Housing Trust und Funding Source | Total Annual Allocation | Total Procure | | Total Awarde | | <section-header><section-header></section-header></section-header> | Tota | al Expended (as of J | uly 31, 2024) | Awards Proposed at 8/2024 Board Meeting | <section-header></section-header> | Activity |
| everance Tax Bond 2024 | \$37,530,000.00 | \$37,530,000.00 | 100% | \$ 33,112,498.00 | 88% | \$4,417,502.00 | \$ | 14,992,953.33 | 40% | | | |
| | | | | | | | | | | Mariposa Apartments (Chelsea Investment Group) | \$ 2,000,000.00 Re | ental Development |
| Severance Tax Bond 2025 | \$34,620,000.00 | \$34,620,000.00 | | \$ 34,620,000.00 | 100% | \$0.00 | \$ | 816,410.72 | | Sandoval Flats (Rio Rancho Leased Housing Authority I, LLP) | \$ 1,620,000.00 Re | ental Development |
| egislative 2024 \$50. Aillion Allocation | \$24,630,000.00 | \$23,630,000.00 | 96% | \$ 10,130,000.00 | 41% | \$14,500,000.00 | \$ | | 0% | Sandoval Flats (Rio Rancho Leased Housing Authority I, LLP) | \$ 1,380,000.00 Re | ental Development |

Awards in green are included in the total awarded but are being proposed at the current MFA Board of Directors meeting. All awards and expenditures are as of the final Policy Committee meeting on August <u>6, 2024.</u>

New Mexico Housing Trust Fund Monthly Overview

August 21, 2024

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New Mexico Housing Trust Fund by Awards

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August 21. 2024

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| | | | August ZI, ZUZ4 | | | |
|---|-----------------|-----------------|---|------------------------------|--|----------------------------------|
| Awardee | Award | Award Amount | Strategic Impact Area | Activity | New Mexico Housing Trust Fund Funding Source | County |
| Homeownership Department | FirstDown Plus | \$ 9,625,000.00 | Build Homeownership & Wealth | Down Payment Assistance | SFY24 STB | Statewide |
| Homeownership Department | HomeForward DPA | \$ 2,500,000.00 | Build Homeownership & Wealth | Down Payment Assistance | SFY24 STB | Statewide |
| Southwest Regional Housing and Community Development | | \$134,655.19 | Preserve Existing Affordable Housing | Home Improvement Program | SFY24 STB | Southwestern NM |
| Southwest Regional Housing and Community Development | | \$98,999.86 | Preserve Existing Affordable Housing | Home Improvement Program | SFY24 STB | Southwestern NM |
| Home Improvement Program | | \$728,737.21 | Preserve Existing Affordable Housing | Home Improvement Program | SFY24 STB | Statewide |
| San Felipe Pueblo | | \$37,607.74 | Preserve Existing Affordable Housing | Home Improvement Program | SFY24 STB | San Felipe Pueblo |
| Central New Mexico Housing Corporation | | \$475,000.00 | Preserve Existing Affordable Housing | Weatherization | SFY24 STB | Central NM |
| Southwest Regional Housing and Community Development | | \$300,000.00 | Preserve Existing Affordable Housing | Weatherization | SFY24 STB | Southwestern NM |
| Restoring Our Communities Program | | \$2,000,000.00 | Preserve Existing Affordable Housing | Restoring Our Communities | SFY24 STB | Albuquerque/ North Central NM |
| Chelsea Investment Corp. | Three Sisters | \$3,500,000.00 | Create More Housing | Gap Financing | SFY24 STB | Las Cruces |

| La Serena Apartments, LLCLa Serena Apartments\$1,000,000.00Create More HousingGap FinancingSFY24 STBAlbuquerque |
|---|
|---|



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| Pedrena Apartments LLC | Pedrena Apartments | \$1,000,000.00 | Create More Housing | Gap Financing | SFY24 STB | Las Cruces |
|--|---------------------------|------------------|---|----------------------------|-----------|-------------------|
| NCNO Limited Partnership, LLLP | Encino Senior Gardens | \$2,000,000.00 | Create More Housing | Gap Financing | SFY24 STB | Albuquerque |
| Peachetree Canyon Limited Partnership (to be formed) | Peachtree Canyon I | \$3,000,000.00 | Create More Housing | Gap Financing | SFY24 STB | Las Cruces |
| EC Ruidoso LP | Elk Meadows Apartments | \$2,000,000.00 | Create More Housing | Gap Financing | SFY24 STB | Ruidoso |
| Post Las Brisas, LLC | Las Brisas Apartments | \$1,000,000.00 | Preserve Existing Affordable Housing | Preservation | SFY24 STB | Albuquerque |
| Homewise | Sombra del Oeste | \$500,000.00 | Create More Housing | SF Development | SFY24 STB | Albuquerque |
| Homewise | Miraflores | \$500,000.00 | Create More Housing | SF Development | SFY24 STB | Santa Fe |
| Town of Silver City | | \$500,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | Silver City |
| NM Ramp Project | | \$500,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | Statewide |
| Sawmill CLT | | \$262,498.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | Albuquerque |
| HagermanForward Inc. | | \$500,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | Chavez County |
| San Felipe Pueblo | | \$450,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | San Felipe Pueblo |
| Ohkay Owingeh | | \$500,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | Ohkay Owingeh |
| North Central New Mexico Economic Development District | | \$500,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY24 STB | North Central NM |
| Homeownership Department | FirstDown Plus | \$ 15,500,000.00 | Build Homeownership & Wealth | Down Payment Assistance | SFY25 STB | Statewide |
| Homeownership Department | HomeForward DPA | \$ 4,500,000.00 | Build Homeownership & Wealth | Down Payment Assistance | SFY25 STB | Statewide |

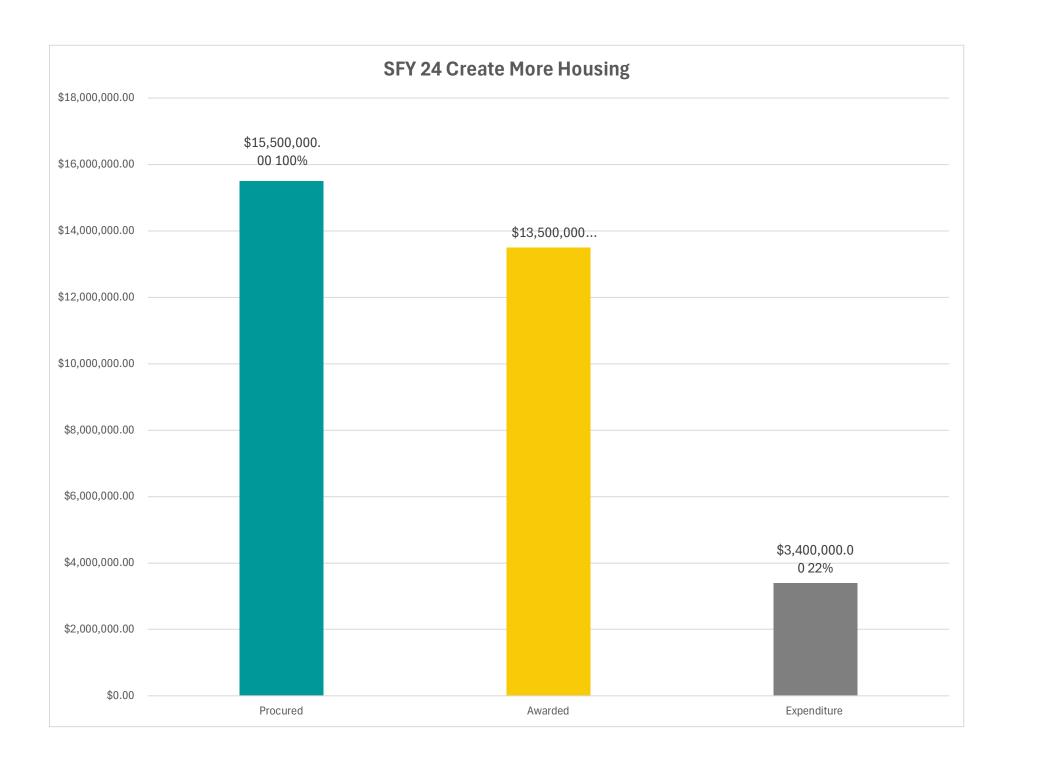
| Awardee | Award | Award Amount | Strategic Impact Area | Activity | New Mexico Housing Trust Fund Funding Source | County |
|---|----------------------------|----------------|---|---|--|-----------------|
| Somos Apartments Limited Partnership | Somos Apartments | \$4,000,000.00 | Create More Housing | Gap Financing | SFY25 STB | Albuquerque |
| Ocate SF, LLC (to be formed) | Ocate Apartments | \$3,000,000.00 | Create More Housing | Gap Financing | SFY25 STB | Santa Fe |
| Country Club SF, LLC (to be formed) | Country Club Apartments | \$3,000,000.00 | Create More Housing | Gap Financing | SFY25 STB | Santa Fe |
| Chelsea Investment Group | Mariposa Apartments | \$2,000,000.00 | Create More Housing | Gap Financing | SFY25 STB | Taos |
| Rio Rancho Leased Housing Authority I, LLP | Sandoval Flats | \$1,620,000.00 | Create More Housing | Gap Financing | SFY25 STB | Rio Rancho |
| Preservation and Reinvestment Initiative for Community Enhancement Grant | | \$1,000,000.00 | Preserve Existing Affordable Housing | Housing Innovation | SFY25 STB | Statewide |
| Artisan's Guild Contracting, LLC | El Toro Community | \$3,000,000.00 | Create More Housing | SF Development | 2024 Legislative Allocation | Roswell |
| YSM Development Advisors LLC | Salazar South | \$2,500,000.00 | Create More Housing | SF Development | 2024 Legislative Allocation | Taos |
| Home Improvement Program | | \$500,000.00 | Preserve Existing Affordable Housing | Home Improvement Program | 2024 Legislative Allocation | Statewide |
| Central New Mexico Housing Corporation | | \$125,000.00 | Preserve Existing Affordable Housing | Weatherization | 2024 Legislative Allocation | Central NM |
| Southwest Regional Housing and Community Development | | \$75,000.00 | Preserve Existing Affordable Housing | Weatherization | 2024 Legislative Allocation | Southwestern NM |
| Redfeather Development | | \$50,000.00 | Preserve Existing Affordable Housing | Weatherization | 2024 Legislative Allocation | Navajo Nation |
| Central New Mexico Housing Corporation | | \$75,000.00 | Preserve Existing Affordable Housing | Weatherization - Energy\$mart Solar Program | 2024 Legislative Allocation | Central NM |
| Southwest Regional Housing and Community Development | | \$2,400,000.00 | Preserve Existing Affordable Housing | Weatherization - Energy\$mart Solar Program | 2024 Legislative Allocation | Southwestern NM |
| | | | | | | |

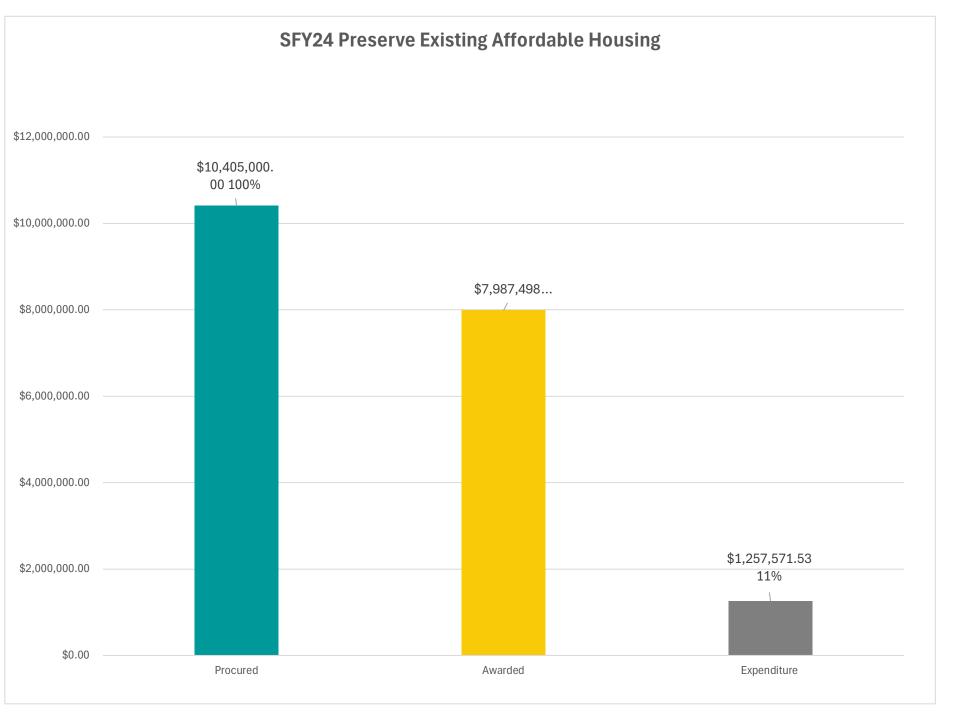
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| Redfeather Development | \$25,000.00 | Preserve Existing Affordable Housing | Weatherization - Energy\$mart Solar Program | 2024 Legislative Allocation | Navajo Nation |
|------------------------|-----------------|---|---|--------------------------------|---------------|
| Total | \$76,982,498.00 | | | | |

New Mexico Housing Trust Fund Graphs







New Mexico Housing Trust Fund Graphs

