MFA Housing New Mexico
MFA February Board of Directors Meeting
February 21, 2024
10:30 am-1:30 pm Mountain Time

## Chair Convenes Meeting

$>$ Roll Call (Izzy Hernandez)
$>$ Approval of Agenda - Board Action
$>$ Approval of 1/17/24 Board Meeting Minutes - Board Action

## Closed Session (Action Required)

(Motion and affirmative vote required to close the meeting)
1 Executive Session - Limited Personnel Matters (YES)

- Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meetings Act: Executive Director
Open Session (Action Required)
2 (Motion and affirmative vote required to open the meeting) (YES)
> Executive Director Updates
$>$ Governor Michelle Lujan Grisham Comments
Board Action Items
(Action Required?)


## Consent Agenda

3 Board Update - Real Estate Owned Update (Teresa Lloyd) (YES) Other
4 Annual Disclosures, Board Members and Executive Directors/CEO (Elenor Werenko) (NO)
5 MFA Portfolio Delinquency Update (Teresa Lloyd) (NO)
6 Consolidated Plan Consultant Overview (Sherry Stephens, Erich Chatham, Owner/Lead Consultant, Spencer Christian, Director of Operations, Civitas) (NO)

## Finance Committee

7 MFA Employee Benefits \& Management Internal Audit Report (Claire Hilleary, CPA, Director with Moss Adams) (YES)
8 Delegation of Authority for Multifamily Bond Inducement Resolution Approval - One-Year Renewal (Christi Wheelock \& Alex Lundy) (YES)
9 12/31/23 Financial Statement Review (Arundhati Bose) (YES)

## Contracted Services/Credit Committee

10 FY2023 Recurring Severance Tax Bond Funding Resolution, Notification and Certification, and Reallocation (Stephanie Gonzales \& Robyn Powell) (YES)

11 Housing Innovation Award Recommendations (Daniela Freamon \& Sonja Unrau) (YES)

## Other

12 Annual Presentation by Capital Solutions Group (CSG) / Royal Bank of Canada (RBC)- (Arundhati Bose, RBS Underwriter, Mina Choo \& CSG Financial Advisor, David Jones) (NO)
13 MFA Housing Continuum Updates (Donna Maestas DeVries \& Jeff Payne) (NO)
14 Quarterly Multifamily Project Completion Report (George Maestas) (NO) Other Board Items Information Only
15 (Staff is available for questions)

- Staff Action Requiring Notice to Board
- 12/31/23 Quarterly Investment Financial Review
- MFA Strategic Plan Benchmarks FY 2024 Q1
- New Mexico Housing Trust Fund Monthly Update
- Marketing \& Communications Monthly Update
- Quarterly Board Report

Announcements and Adjournment
Discussion Only
Confirmation of Upcoming Board Meetings
$>$ February 22, 2024 - Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
$>$ March 12, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
$>$ March 20, 2024 - Wednesday - 9:30 a.m. (MFA Board of Directors Meeting)
$>$ March 20, 2024 - Wednesday - 12:30 p.m. MFA Board Working Session
$>$ March 28, 2024 - Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending) $>$ April 9, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
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> April 25, 2024 - Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending) $>$ May 7, 2024 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
$>$ May 15, 2024 -Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

# NEW MEXICO MORTGAGE FINANCE AUTHORITY <br> Board Meeting <br> 344 4th St. SW, Albuquerque, NM <br> Wednesday, February 21, 2024-10:30 a.m. <br> Proposed Agenda 

## Chair Convenes Meeting

Roll Call (Izzy Hernandez)
$>$ Approval of Agenda - Board Action
$>$ Approval of $1 / 17 / 24$ Board Meeting Minutes - Board Action

## Closed Session

Action Required
(Motion and affirmative vote required to close the meeting)
1 Executive Session - Limited Personnel Matters
YES

- Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meetings Act: Executive Director

2 (Motion and affirmative vote required to open the meeting)
$>$ Governor Michelle Lujan Grisham Comments

## Board Action Items

Action Required

## Consent Agenda

3 Board Update - Real Estate Owned Update (Teresa Lloyd)
YES

## Other

4 Annual Disclosures, Board Members and Executive Directors/CEO (Elenor Werenko) NO
5 MFA Portfolio Delinquency Update (Teresa Lloyd) NO
6 Consolidated Plan Consultant Overview (Sherry Stephens, Erich Chatham, Owner/Lead Consultant, Spencer
Christian, Director of Operations, Civitas)

## Finance Committee

7 MFA Employee Benefits \& Management Internal Audit Report (Claire Hilleary, CPA, Director with Moss Adams)
8 Delegation of Authority for Multifamily Bond Inducement Resolution Approval - One-Year Renewal (Christi Wheelock \& Alex Lundy) ..... YES
9 12/31/23 Financial Statement Review (Arundhati Bose) ..... YES
Contracted Services/Credit Committee
10 FY2023 Recurring Severance Tax Bond Funding Resolution, Notification and Certification, and Reallocation (Stephanie Gonzales \& Robyn Powell) ..... YES
11 Housing Innovation Award Recommendations (Daniela Freamon \& Sonja Unrau) ..... YES
Other
12 Annual Presentation by Capital Solutions Group (CSG) / Royal Bank of Canada (RBC)- (Arundhati Bose, RBCUnderwriter, Mina Choo \& CSG Financial Advisor, David Jones)NO
13 MFA Housing Continuum Updates (Donna Maestas DeVries \& Jeff Payne) ..... NO
14 Quarterly Multifamily Project Completion Report (George Maestas) ..... NO

## 15 (Staff is available for questions)

- Staff Action Requiring Notice to Board
- 12/31/23 Quarterly Investment Financial Report
- MFA Strategic Plan Benchmarks FY 2024 Q1
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Chair Convenes Meeting
$>$ Roll Call (Izzy Hernandez)
$>$ Approval of Agenda - Board Action
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## Closed Session

Action Required
(Motion and affirmative vote required to close the meeting)
1 Executive Session- Limited Personnel Matters
• Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meetings Act: Executive
Director

## Open Session

Action Required
2 (Motion and affirmative vote required to open the meeting) YES
> Executive Director Updates
$>$ Governor Michelle Lujan Grisham Comments

## Board Action Items

Action Required

## Consent Agenda

3 Board Update - Real Estate Owned Update (Teresa Lloyd)- Provide an annual update to the Board regarding MFA's Real Estate Owned portfolio. MFA anticipates no foreclosures in FY 2024 to result in a Real Estate Owned portfolio. MFA's exposure will be assessed at that time, but staff anticipates the financial impact to MFA will not be material.

YES

## Other

4 Annual Disclosures, Board Members and Executive Directors/CEO (Elenor Werenko)
NO
5 MFA Portfolio Delinquency Update (Teresa Lloyd)- Delinquency trends for MFA's loan portfolio as of December 31, 2023 to include the first mortgage portfolio subserviced by Idaho Housing Finance Association and MFA's in house direct servicing portfolio. MFA's subserviced portfolio delinquency as of December 31, 2023 is $12.97 \%$ up from $9.84 \%$ June 30, 2023. MFA's in house direct servicing portfolio delinquency as of December 31, 2023 is $8.52 \%$ down from $9.96 \%$ as of June 30,2023 . The presentation will also discuss actions taken to reduce delinquency and the impacts the economy and other factors have on both portfolios.
6 Consolidated Plan Consultant Overview (Sherry Stephens, Erich Chatham, Owner/Lead Consultant, Spencer Christian, Director of Operations, Civitas)- The attached PowerPoint presentation is to provide an informational update on efforts made to summarize the process for community outreach, statewide engagement, survey tools, and data compilation for this regulated and required HUD process.

## Finance Committee

7 MFA Employee Benefits \& Management Internal Audit Report (Claire Hilleary, CPA, Director with Moss Adams)- Moss Adams LLP (Moss Adams) was contacted by the NMMFA to perform an internal audit related to MFA's employee management and retirement plan functions. The areas of focus for this internal audit included determining whether MFA followed select internal procedures as well as complying with the 401K Plan Document. Further testing was done to evaluation compliance with select MFA policies and procedures (P\&Ps) related to MFA's employee management practices including maintaining employee files, employee disciplinary action, employee
terminations and the Family and Medical Leave Act (FMLA). This internal audit took place between September 2023 through January 2024. There were no findings for this internal audit.

YES
8 Delegation of Authority for Multifamily Bond Inducement Resolution Approval - One-Year Renewal (Christi Wheelock \& Alex Lundy) - MFA Staff recommends renewal of the approval from the MFA Board to delegate the authority to issue individual Inducement Resolutions to each project as a staff action, extending the approval for another year. The following individuals would be authorized to execute the Inducement Resolutions issued through a staff action.

YES
9 12/31/23 Financial Statement Review (Arundhati Bose)- Ongoing. Discuss the Quarterly financial statement for the Quarter ending Dec 31, 2023. Provide insights into trends and variance analysis highlighting key variables impacting the organization's financial health.

YES

## Contracted Services/Credit Committee

10 FY2023 Recurring Severance Tax Bond Funding Resolution, Notification and Certification, and Reallocation (Stephanie Gonzales \& Robyn Powell) - Staff recommends that the MFA Board of Directors adopt the New Mexico Mortgage Finance Authority Resolution, Notification and Certification Amendment to the New Mexico State Board of Finance certifying the need for funding in the amount of $\$ 37,530,000$ for state fiscal year 2024. The amended certification will reallocate the $\$ 3,400,000$ in the first mortgage; affordable homeownership loan purchase to down payment assistance for $\$ 3,125,000$ and to single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation for $\$ 275,000$.

YES
11 Housing Innovation Award Recommendations (Daniela Freamon \& Sonja Unrau)- The Housing Innovation Scoring Committee recommends awarding $\$ 262,498$ to the Sawmill Community Land Trust under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund.

YES

## Other

12 Annual Presentation by Capital Solutions Group (CSG) / Royal Bank of Canada (RBC)- (Arundhati Bose, RBC Underwriter, Mina Choo \& CSG Financial Advisor, David Jones)- presentation by NMMFAs Financial Advisor and Senior Underwriter highlighting the macro environment, bond structures designed and process of bond marketing.

NO
13 MFA Housing Continuum Updates (Donna Maestas DeVries \& Jeff Payne) NO
14 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.

NO

Other Board Items
Information Only
15 (Staff is available for questions)

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# NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Minutes La Fonda on the Plaza - New Mexico Room 100 E San Francisco St, Santa Fe, NM 87501 Wednesday, January 17, 2024 at 9:30 a.m. 


#### Abstract

Chair Angel Reyes convened the meeting on January 17, 2024, at 9:37 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, John Kreienkamp (designee for State Treasurer Laura M. Montoya), Gideon Elliot (designee for Attorney General Raúl Torrez), Rebecca Wurzburger and State Treasurer Laura M. Montoya (arrived at 10:36 a.m. prior to Tab 2). Virtual attendance: Derek Valdo, Martina C'de Baca (designee for Lieutenant Governor Howie Morales) (Joined during Tab 1 at 9:39 a.m., virtually and in person during presentations at 10:13 a.m.). Absent: Patricia Sullivan. 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 the microphone sensitivity. He then provided voting protocol for those members participating virtually.

Approval of Agenda - Board Action. Motion to approve the January 17, 2024, Board agenda as presented: Wurzburger. Seconded by Kreienkamp. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy John Kreienkamp- yes, Rebecca Wurzburger- yes, Sullivan- absent, Proxy Martina C'de Baca- absent. Vote: 5-0.

Approval of 12/13/23 Board Meeting Minutes - Board Action. Motion to approve the December 13, 2023, Board Meeting Minutes as presented: Wurzburger. Seconded by Kreienkamp. Roll Call Vote: Angel Reyes- yes, Derek Valdoyes, Gideon Elliot- yes, Proxy John Kreienkamp- yes, Rebecca Wurzburger- yes. Sullivan- absent, Proxy Martina C’de Baca- absent. Vote: 5-0.

Hernandez provided his Executive Director updates: Program Updates: Mortgage Ops- Ahead of last year's weekly avg. Significant meetings/presentations: 12/14: NMBA Legislative Meeting. 1/08: House Appropriations and Finance Committee Mtg. 1/11: NM Housing Strategy Adv. Committee Mtg. 1/12: Kirtland Partnership Mtg. 1/16: 2024 Legislative Sessions- $1^{\text {st }}$ Day. Upcoming Meetings: 1/16: Mtg with various Legislators. 1/19: Taos County Mtg- LIHTC. 02/15: Last day of Legislative Session. Hernandez mentioned the focus for the month is the 2024 Legislative Session, meeting with various Legislators to emphasize Senate Bill 7 and Senate Bill 31. He then discussed median home prices and mortgage rates graph provided: Home prices have grown by around $40 \%$ since 2019 and Mortgage Rated came down from 23-year high. Lastly, he informed the Board that the next MFA Board of Directors meetings will also consist of working sessions and training.

## Local Perspectives

$>$ Paul Andrus, Community Development Director, Daniel Osborn and Dan Ungerleider, Los Alamos County Andrus, Osborn and Ungerleider presented the housing needs and strategies in Los Alamos. Approximately 20\% of households have lower incomes ( $<\$ 50 \mathrm{~K}$ ). Total workforce commuting into Los Alamos $>8,000$ with 2,300 outcommuting. Fourteen percent of owner-occupied households are cost burdened ( 1036 units). Twenty-five percent of renter-occupied households are cost burdened ( 502 units). A chart of challenges, actions and projects was provided. Challenges Los Alamos face is limited supply of land, housing choice, new housing, and aging housing stock. Affordable housing and lack of housing authority or core development partner necessary to implement a permanent affordability regime is also a challenge.
> Monica Abeita, Executive Director, North Central New Mexico Economic Development District - Abeita began her presentation discussing the greatest housing needs: housing rehabilitation, workforce housing, senior housing, and special needs housing. In rural areas needs include housing stock is older, rates of vacant and abandoned homes are

January 17, 2024
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higher, population is aging, little to no population growth and limited new development and investment. She also discussed various projects with MFA: Housing Technical Assistance Program- $\$ 80,00$, Recovery Housing- $\$ 2.7$ million CSLFRF grant, Senior Home Repair- $\$ 1$ million CSLFRF grant and Resorting our Community (ROC).

## Consent Agenda

12024 Open Meeting Resolution (Eleanor Werenko) - The New Mexico Mortgage Finance Authority Open Meetings Resolution is submitted for MFA Board of Directors approval pursuant to Section 10-15-1 (B) and (D) of the New Mexico Open Meetings Act (Sections 10-15-1 to 10-15-4 NMSA 1978), and the MFA Bylaws, Section 7.4, which require that the MFA determine annually, in a public meeting, what constitutes reasonable notice of its public meetings. Motion to approve the 2024 Open Meetings Resolution as presented: Kreienkamp. Seconded by Elliot. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy John Kreienkamp- yes, Rebecca Wurzburger- yes, Patricia Sullivan-absent. Vote: 6-0.

## Proxy John Kreienkamp yield, and State Treasurer Laura M. Montoya joined the meeting at 10:36 a.m. prior to Tab 2.

## Finance Committee

## 2 NMMFA FY23 Audit Report (Christopher Gregory, Audit Manager, Clifton Larson Allen, LLP \&

 Arundhati Bose, CFO NMMFA) - Bose began her presentation introducing and providing a brief background of Gregory, Audit Manager. Gregory then discussed the Report of Independent Auditors and Financial Statements with Supplemental Schedules for the year ended 9/30/2023 and comparative information for 9/30/2022. Key Points of the Audit were highlighted during the discussion session. Auditor communication included Overall: No changes from planned scope. Estimates: Evaluated management's estimates and are comfortable with them. Disclosures: Neutral, consistent, and clean, no omissions. Difficulties: No significant difficulties, no disagreement with management. Other: No audit adjustments, no uncorrected misstatements and management representations forthcoming. The annual audit was unmodified and there were no findings on the single audits performed in fiscal year 2023. Next steps include GNMA Report submitted and data collection form submission to the Federal Audit Clearinghouse. Following the External Auditor's discussion Bose discussed key highlights of the audit focusing on trends and new GASB adaptations. Motion to approve the NMMFA FY23 Audit Report as recommended: C'de Baca. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C’de Baca- yes, State Treasurer Laura M. Montoya- Yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-03 MFA's Policies \& Procedures Manual and Delegations of Authority - Proposed Revisions (Julie Halbig) - Halbig began her presentation requesting approval of the proposed changes to the Policies and Procedures Manual for the purpose of conducting MFA's business. Annually, the MFA Policies \& Procedures Manual and Delegations of Authority are reviewed and updated as needed for changes relating to compliance, audit findings, clarifications and changes in general practices or policies. Outlined for the Board's consideration are substantive changes for the annual update. Motion to approve MFA's Policies \& Procedures Manual and Delegations of Authority with proposed revisions and amendment to include in Section E, page 9; to strike red language after no member and include "all Members, Management and Employees should comply with the state Gift Act (\$250)" and "the prohibition does not include gift motivated by a family relationship or close relationship". Also on page 15, Section D; "Member may attend monthly meetings in compliance with open meeting act" and in section E; add "as directed (delete "request") and add by Executive Director/CEO". State Treasurer Laura M. Montoya. Seconded by Elliot. Roll Call Vote: Angel Reyes- yes, Derek Valdoyes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- Yes, Rebecca Wurzburgeryes, Patricia Sullivan- absent. Vote: 6-0

4 NMMFA Third Party Sender ACH Audit 2023 (Julie Halbig) - Halbig began her presentation requesting the approval of the NMMFA Third Party Sender ACH Audit. Annually, MFA must conduct a Third-Party Sender Automated

Clearing House (ACH) audit to be in compliance with the National Automated Clearing House Association (NACHA) rules. The firm of Edwards Valen \& Associates completed this annual audit and found MFA to be in compliance with the 2023 NACHA Rule books. MFA earned an overall Satisfactory rating. There was one recommendation related to Record Retention. The recommendation is to keep all electronic records for at least six years and all paper records that are on-site for two years. Motion to approve NMMFA Third Party Sender ACH Audit 2023 as presented: State Treasurer Laura M. Montoya. Seconded by Elliot. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- Yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-0

5 Lender Compensation for Native American Single-Family Programs (Jeff Payne) - Payne began his presentation requesting approval to increase participating lender compensation by $1.0 \%$ to a total of $3.5 \%$ for single family mortgage loans originated on tribal land. He then stated the potential benefit of this proposal is that lenders would better be able to offset their costs and break even or realize a small profit on these loan programs sold to MFA. Mortgage lending companies face challenges in originating loans profitably in today's economic environment. Depending on company policy and regulations governing loan officer compensation, the additional compensation offered by MFA may or may not be passed on in whole or in part to originating loan officers. MFA staff believes that if lenders do more of these targeted loan programs, they will become more familiar with the process and create capacity to expand the number of loans offered to Native American homebuyers in New Mexico. Motion to approve the Lender Compensation for Native American Single-Family Programs as presented: C'de Baca. Seconded by State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, State Treasurer Laura M. Montoya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-0

## State Treasurer Laura M. Montoya stepped out at end of Tab 5 at 11:36 a.m. Proxy John Kreienkamp proceeded in her place for the remainder of the meeting.

62024 Employee Manual Revisions (Dolores Wood) - Wood began her presentation recommending proposed revisions to the Employee Manual. Annually, the MFA Employee Manual is reviewed and updated. The Employee Manual is revised as needed for changes as it relates to compliance, audit findings, clarifications, and changes in general practices. She stated the revisions in the employee manual are minor in nature. Motion to approve the 2024 Employee Manual Revisions with amendment to include added language on accrual rated grandfathered for current employee's vs new employees. Motion to approve the 2024 Employee Manual Revisions as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy John Kreienkamp- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote 6-0

## Other

7 Quarterly Marketing Summary Report (Kristie Garcia) - Garcia presented the quarterly marketing and communications presentation consisting of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts. Non-Action item.

82023 Series D Bond Issuance - Pricing Summary (Arundhati Bose) - Bose began discussing the Pricing Summary, the impact of using Volume Cap and the 2023D Bond Issue highlights from Pricing to Closing. All topics discussed were for information purposes. Non-Action item.

## Other Board Items- Information Only

$9 \quad$ There were no questions asked of staff.

- Staff Action Requiring Notice to Board

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## Monthly Reports- Non-Action Required

10 There were no questions asked of staff.

- 11/30/2023 Financial Statements
- New Mexico Housing Trust Fund Monthly Update


## Announcements and Adjournment- Confirmation of upcoming Board Meetings.

There being no further business the meeting was adjourned at 12:05 p.m.
Approved:

## TO: MFA Board of Directors

Through: Policy Committee - February 6, 2024

FROM: $\quad$ Teresa Lloyd - Director of Servicing

DATE: February 21, 2024

SUBJECT: Board Update - Real Estate Owned Property

Background: MFA staff is providing this annual Real Estate Owned (REO) portfolio update to the Board for FY2023. MFA's REO portfolio typically consists of single family and multi-family loans that MFA services and has foreclosed. Most of the single family, first mortgage loans that MFA services were originated through our Partners program. As a result, most of the properties that come into our REO portfolio are Partners loans. MFA attempts to work with the borrowers and Habitat for Humanity affiliates to avoid taking these homes back. MFA has also analyzed the potential for REO resulting in foreclosure of our subserviced portfolio and whole loans acquired via repurchase due to modifications and lender repurchases.

Discussion: As of December 31, 2023, MFA holds no REO properties. All foreclosure sales held in FY 2023 resulted in full conveyance to HUD and Fannie Mae or resulted in Third Party Sales.

MFA anticipates no foreclosure completions resulting in an REO portfolio in FY 2024 for the MFA direct servicing portfolio or the subserviced first mortgage portfolio.

As foreclosure sales take place and if properties are brought into the REO portfolio, MFA's exposure will be analyzed and approvals to move forward with disposition will be obtained according to policy. The MFA Board will receive updates from time to time via the Staff Action report.

Summary: The purpose of this memo is to provide an annual update to the Board regarding MFA's Real Estate Owned portfolio. MFA anticipates no foreclosures in FY 2024 to result in a Real Estate Owned portfolio. MFA's exposure will be assessed at that time, but staff anticipates the financial impact to MFA will not be material.

Housing New Mexico

# New Mexico Mortgage Finance Authority Portfolio Delinquency Update 

Teresa Lloyd Director of Servicing

Board of Directors<br>February 21, 2024

## Today's Delinquency Factors

Traditional
Causes of Delinquency


Subserviced Portfolio Delinquency Trends


## Delinquency Percentage by Date of Loan Origination



## 2023 Subserviced Portfolio Benchmarks

Delinquency Performance Comparison September 30,


## In-House Portfolio Delinquency




## Addressing Delinquency and Processes

- Increasing right party contact rates.
- Identify borrower's reason for default.
- Discuss options for reinstatement with borrowers (depending on investor. options vary)
- FHA primary options, Repay Plans, Partial Claims, Modification
- Conventional, Repay Plans, Payment Deferral, Modification
- IHFA has increased staff to improve borrower contact
- If borrower cannot afford the home, workout options not viable, discussion will be toward liquidating the home to avoid foreclosure.
- Agreed Delinquency Target set for IHFA to bring and keep delinquency below the FHA Purchase Loan Delinquency rates for NM through out 2024.
- Monitoring foreclosure actions and timeline to reduce risk of increased loss.
- MFA's collection team holds monthly and quarterly strategy meeting to address any new trends in delinquencies and to improve conversations with borrowers to bring them current.
- MFA's ACH Gift Card drawing is successful, and more borrowers are still signing up for Auto Drafts for their payments.


# New Mexico Mortgage Finance Authority 

Comments/Questions

DATE: February 21, 2024
TO: Board of Directors
FROM: Julie Halbig and Sherry Stephens, Compliance and Initiatives
RE: $\quad$ Consolidated Plan Consultant Overview Board Presentation

## Recommendation:

Compliance and Initiatives staff along with Consultant Civitas present to the Board of Directors an overview of Civitas method for gathering and compiling data through survey tools and community engagement for the 2025-2029 Consolidated Plan.

## Background:

It is a requirement of U.S. Department of Housing and Urban Development (HUD) to assess affordable housing, community development needs and market conditions to make data driven investment decisions every five years. This planning process helps identify and align housing and community needs. This is a prescribed and regulated process by HUD.

## Discussion:

In June 2023, MFA published a Request for Proposal (RFP) and accepted proposals for 30 days. In September 2023, Civitas was selected as the preferred consultant. In October 2023, the contract commenced. February through July 2024, the formal data collection phase begins. This planning process will identify community needs and trends. Through analysis the next strategic and comprehensive plan will be drafted and submitted to HUD. This will become the framework for the next five years for allocated funding and associated goals.

## Summary:

The attached PowerPoint presentation is to provide an informational update on efforts made to summarize the process for community outreach, engagement, survey tools, and data compilation for this regulated and required HUD process.

# New Mexico Mortgage Finance Authority <br> Consolidated Plan 2025-2029 <br> Consultant Overview 

Program Manager

Board of Directors

February 21, 2024

## Consolidated Plan

(Identify Needs)

The consolidated plan is a comprehensive and strategic document required by U.S. Housing and Urban Development (HUD) to be submitted every five years. The plan is designed to help states and local jurisdictions assess affordable housing, community development needs, market conditions, and make data driven decisions. The consolidated planning process serves as the framework for community wide dialogue to identify housing and community development priorities for low-income persons and areas of the state.


## Formula Fund Programs

New Mexico receives five (5) separate formula funds from HUD. These federal funds are provided to address infrastructure, housing needs, economic development, improve communities, and enforce fair housing.

MFA
ESG - Emergency Solutions Grant
HOME - Home Investment Partnership
HTF - Housing Trust Fund
HOPWA - Housing Opportunities for Persons with AIDS

DFA
CDBG - Community Development Block Grant


## Civitas LLC

(Consultant)

In June 2023, MFA began the process of seeking a qualified consultant via RFP. In September 2023, Civitas was selected. In October 2023, the contract commenced. In February 2024, the formal data collection launched.

## Meet Civitas



Erich Chatham/ Owner Lead Consultant


Spencer Christian, Director of Operations

## Outreach Campaign for Consolidated Plan \& Equity Plan

## Overview

Public engagement efforts will be combined to capture input for the ConPlan needs assessment and impediments to fair housing choice. We will ensure all outreach methods are accessible, providing materials in Spanish and English formats. We will work with community advocates and local government incorporate strategies for reaching underrepresented and marginalized groups.

- In-Person Meetings (including Virtual Option)
- Organize public gatherings across in Albuquerque, Santa Fe, and Las Cruces.
- Discuss programs, plans and gather feedback.
- Utilize social media and stakeholder organizations to promote.
- Online Survey
- Distribute a comprehensive survey to capture resident input on community needs.
- Disseminate a separate stakeholder survey.
- One-on-One Interviews
- Schedule interviews with government officials, community leaders, and housing advocates.
- Document insights and recommendations for the final plan.


## Outreach Campaign for Consolidated Plan \& Equity Plan

## In-Person Public Meetings

## Albuquerque - March 11, 2024

- New Mexico Mortgage Finance Authority
- Discussions with Program Directors
- 2:15pm: Stakeholder and Partner Engagement (virtual option)
-6:30pm: Community and Public Comment (virtual option)
Santa Fe - March 12, 2024
- Santa Fe Community College
- Discussions with CDBG Program Directors
- 1:00pm: Stakeholder and Partner Engagement (virtual option)
- 6:00pm: Community and Public Comment (virtual option)

Las Cruces - March 14, 2024

- Dona Ana Community College
-1:00pm: Stakeholder and Partner Engagement (virtual option)
- 5:30pm: Community and Public Comment (virtual option)


## Outreach Campaign for Consolidated Plan \& Equity Plan

## Survey Input

- Stakeholder Survey
- Open February 1, 2024 through July 31, 2024
- Community and Public Survey
- Open February 1, 2024 through July 31, 2024
- Promotion: Flyers and online short video
- Social media and official website promotion
- Stakeholder assistance
- Local venues


## Survey Snapshot <br> (Citizen, Community and Stakeholder)



## Promotional Video

## COMMUNITY SURVEY

CITIZENS HAVE A VOICE IN ADDRESSING COMMUNITY NEEDS \& FAIR HOUSING CHALLENGES IN YOUR REGION:


## New Mexico Mortgage Finance Authority

## Comments or Questions?

Sherry Stephens
Program Manager
505-767-2250
sstephens@housingnm.org
$\hat{M F A}$
Housing New Mexico

## New Mexico Mortgage Finance Authority <br> Finance/Operations Committee Meeting <br> Tuesday, February 13, 2024 at 1:30 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 24942459027
or you can join the call from the calendar item

| Agenda Item | COMMITTEE RECOMMENDED | $\begin{aligned} & \hline \text { BOARD ACTION } \\ & \text { REQUIRED } \end{aligned}$ |
| :---: | :---: | :---: |
| Agenda <br> 1 MFA Employee Benefits \& Management Internal Audit Report Chelsea Ritchie, CPA, Consulting Senior Manager with Moss Adams | Approved 3 | YES |
| 2 Delegation of Authority for Multifamily Bond Inducement Resolution Approval - Renewal for Five Years- Christi Wheelock \& Alex Lundy | Approved 3 with changes in section 4 to change date to Jan 15, 2025 | YES |
| 3 Financial Statements Review 12-31-23 - Arundhati Bose | Approved 3 | YES |
| $\frac{\text { Information items }}{4} \text { December } 2023 \text { Wire Transfers }$ |  | NO |
| 5 December 2023 Check Register |  | NO |
| Committee Members present:    <br> Derek Valdo, Chair <br> State Treasurer Laura M. Montoya/ $\square$ present $\square$ absent $\square$ conference call |  |  |
|  |  |  |
|  |  |  |
| Lt. Governor Howie Morales or <br> Proxy Martina C'de Baca $\square$ present <br> All present via conference call - C De BacA JOINED AT 1:50p | $\square$ absent $\quad \square$ confer | nce call |

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FINAL REPORT
$\qquad$
New Mexico Mortgage Finance Authority
EMPLOYEE MANAGEMENT AND RETIREMENT PLAN INTERNAL AUDIT

January 26, 2024

Moss Adams LLP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500

MOSSADAMS

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## I. EXECUTIVE SUMMARY

Moss Adams LLP (Moss Adams) was contracted by the New Mexico Mortgage Finance Authority (MFA) to perform an internal audit related to MFA's employee management and retirement plan functions. Our procedures included evaluating and testing internal controls and evaluating for compliance with select MFA policies and procedures (P\&Ps) related to MFA's employee management and retirement plan functions. This internal audit took place between September 2023 through January 2024.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This engagement was also performed consistent with the guidance issued by the Institute of Internal Auditor's International Professional Practices Framework. This report was developed based on information gained from our interviews and analyses of provided documentation. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

## A. OBJECTIVES

Our objectives for this internal audit focused on determining whether MFA:

- Followed select internal processes pertaining to the $401(\mathrm{k})$ plan
- Complied with certain requirements of the 401(k) Plan Document
- Had sound internal controls in place to identify potential errors with the 401(k) plan
- Complied with select internal P\&Ps pertaining to its Human Resources (HR) and employee management practices
- Had sound internal controls in place to identify potential errors with HR and employee management practices pertaining to maintaining employee files, employee disciplinary action, employee terminations, and Family and Medical Leave Act (FMLA)


## B. CONCLUSIONS

As a result of our testing, we did not identify any findings. We did identify three other matters for consideration that MFA should review and consider implementing.

## C. COMMENDATIONS

Although the focus of this internal audit was to identify opportunities for improvement, it is important to note areas of commendable operations. MFA should be commended for the following accomplishments:

- Loan Processes: For the sample transactions tested relating to participant loans for the 401(k) plan, controls relating to loan initiation and compliance with the 401(k) Plan Document were welldesigned and appeared to be functioning as intended.
- 401(k) Distributions: For the sample transactions tested relating to 401(k) distributions, controls were well-designed and appeared to be functioning as intended.
- 401(k) User Controls: Based on review of the Bank of Oklahoma's System and Organization Controls (SOC) 1 Report, it appeared that MFA had properly designed and implemented the recommended complementary user controls identified by Bank of Oklahoma within the SOC 1 Report.

We would like to thank MFA staff and management for their time and efforts in assisting with this project. MFA staff were consistently professional, responsive, and knowledgeable in their responses, allowing us to sufficiently understand nuances relative to the applicable requirements.

## II. DETAILED REPORT

## A. INTRODUCTION

Moss Adams was contracted by MFA to conduct an internal audit of MFA's employee management and retirement plan functions. This internal audit assessed for the following objectives to determine whether MFA:

- Followed select internal processes pertaining to the $401(\mathrm{k})$ plan
- Complied with certain requirements of the 401(k) Plan Document
- Had sound internal controls in place to identify potential errors with the 401(k) plan
- Complied with select internal P\&Ps pertaining to its HR and employee management practices
- Had sound internal controls in place to identify potential errors with HR and employee management practices pertaining to maintaining employee files, employee disciplinary action, employee terminations, and FMLA


## B. BACKGROUND

MFA is a quasi-governmental entity that finances affordable housing and other related services to low- and moderate-income residents of New Mexico. As of November 24, 2023, MFA had 125 employees to help support their services. The HR department within MFA is responsible for all employee hiring, employee terminations, storage of employee files, employee disciplinary actions, and FMLA handling. Additionally, MFA offers all eligible employees a $401(\mathrm{k})$ plan, which is administered by the Bank of Oklahoma. The HR department within MFA works to provide precise participant information for accurate reporting to the Bank of Oklahoma. MFA last had internal audits performed on its employee management and retirement plan functions in March and June 2017, respectively.

## C. SCOPE AND METHODOLOGY

The scope of this project was focused on employee management and retirement plan controls administered from September 1, 2022 through August 31, 2023 (internal audit period).

We performed the following procedures as part of this internal audit:

- Interviews: We conducted interviews with employees within the HR and finance departments to gain an understanding of the overall employee management and $401(\mathrm{k})$ plan processes at MFA and to understand each interviewed employee's specific role with each function.
- Participant Data and Contributions: Using the list of active and terminated participants for the internal audit period, we selected a sample of 19 participants. For each sampled participant, we selected two pay dates to test whether:

Accurate participant data was included in the payroll system (ADP) as well as in the 401(k) plan administrator system (Bank of Oklahoma). This participant data included:

- Date of birth
- Date of hire
- Date of termination, if applicable
- Social security number
- Address
- Compensation was calculated accurately according to the 401(k) Plan Document, and compensation agreed to the authorized pay records for the pay periods selected.
- Participant contributions were accurately withheld based on their election.
- Participant contributions were remitted for the correct amount to the participant's account with Bank of Oklahoma.
- Employer match and employer non-discretionary contributions were accurately calculated and correctly remitted to the participant's account with Bank of Oklahoma.
- Review of contributions occurred and was documented for the pay periods selected.
- Newly eligible participants were entered into the 401(k) plan timely.
- Participant Loans: Using the loan listing from the Bank of Oklahoma for the internal audit period, we selected a sample of three new loans to test whether:
- Loan payment deductions were properly withheld and were for the correct amount and deductions started timely.
- The loan term was for no longer than a five-year period from the loan origination date unless the loan was for the purchase of a participant's principal residence.
- The loan face amount was not more than one-half of the participant's vested account balance (not to exceed \$50,000).
- The loan deductions appeared current, and the loan was not in default.
- Participant Distributions: Using the distribution listing from the Bank of Oklahoma for the internal audit period, we selected a sample of six distributions to test whether:
- Documentation was on file to support that a valid distributable event occurred.
- The distribution amount was properly calculated including vesting and forfeitures, if applicable.
- For hardship withdrawals:
- Documentation was on file to support that the employee had exhausted all other means of obtaining funds prior to obtaining a hardship withdrawal.
- Contributions were not made to the 401(k) plan for six months following the hardship withdrawal.
- There was a qualifying hardship event.
- 401(k) Plan Remittances: We selected four pay dates during the internal audit period and tested whether:
- Contributions were remitted to the Bank of Oklahoma in a timely manner and for the correct amount.
- A review of contributions took place for the pay date selected.
- The annual contributions according to payroll totals agreed to the amounts according to the Bank of Oklahoma report.
- 401(k) Plan Governance: We obtained 401(k) Committee meeting agendas and minutes during the internal audit period to determine whether at least two meetings were held and included discussions on benefits, plan administration, investment review, fee review, and other fiduciary responsibilities.
- 401(k) User Controls: We obtained the SOC 1 Report and SOC 1 Report Gap Period Statement for Bank of Oklahoma for the internal audit period and assessed whether it appeared that MFA had implemented the complementary user controls identified by Bank of Oklahoma.
- Employee Terminations: We selected a sample of five employee terminations processed during the internal audit period and tested whether:
- The final payment made to the employee was accurate, properly calculated, and agreed to supporting documentation.
- The termination of benefits was completed in accordance with the MFA Employee Manual.
- FMLA: We selected a sample of two employees who used FMLA leave during the internal audit period and tested whether:
- Documentation was on file to support that the employee was eligible for FMLA leave under the MFA eligibility guidelines and had not exceeded 12 weeks of leave.
- All required documentation was evidenced in the employee's file.
- Appropriate documentation was maintained in the employee's file if the employee had returned to work.


## III. FINDINGS AND RECOMMENDATIONS

Moss Adams did not identify any items that were considered low, moderate or high-risk findings; however, we did identify some other matters for consideration that did not rise to the level of a low risk finding. Please see Section IV - Other Matters for Consideration.

## IV. OTHER MATTERS FOR CONSIDERATION

The following items are other matters we did not believe rose to the level of a low-risk finding, but we wanted to include for purposes of additional consideration by MFA. These items do not require a management response.

## 1. Developing Comprehensive Operating Procedures

While MFA has a robust Employee Manual that includes many policies and procedures relative to the oversight of personnel functions, we identified two areas in which MFA could improve operating procedural guidance.

## Record Retention

MFA migrated all current and historical employee files from MFA's internal SharePoint site to ADP during the internal audit period. However, we did not identify any documented operating procedures to instruct employees and supervisors on how to maintain files outside of ADP properly and securely and the roles and responsibilities that guide these processes. Currently, it is up to the data requestor to ensure files stay confidential. MFA has a Record Retention chart from April 2023, which includes the retention periods and disposal method for various groups of file types, which constitute MFA's policies in this area. MFA should consider also developing comprehensive operating procedures related to record retention, which could include the following topics:

- Roles and Responsibilities: This section outlines the responsibilities of different individuals at MFA for implementing and enforcing the policy.
- Record Categories: This section identifies the different types of records MFA creates and maintains.
- Retention Periods: This section specifies the length of time that each type of record should be retained.
- Record Destruction: This section outlines how to securely destroy records that have reached the end of their retention period.
- Exceptions: This section identifies any exceptions to the retention policy, such as legal requirements or contractual obligations.
- Recordkeeping System: This section outlines the system used to manage and store records, including the format of records, the location of storage, and which individuals should have access.
- Training and Awareness: This section outlines the training and awareness programs that MFA will implement to ensure that employees understand and comply with the policy and operating procedures.


## Disciplinary Action

MFA has policies pertaining to employee disciplinary action within its Employee Manual; however, the policies do not include comprehensive operating procedures and are more designed for employee use rather than HR Department use. MFA should consider expanding existing guidance related to employee disciplinary action to include comprehensive operating procedures to address the following topics:

- Roles and Responsibilities: This section outlines the responsibilities of different individuals at MFA for implementing and enforcing the policy.
- Types of Disciplinary Action: This section outlines the different types of disciplinary action that may be taken, such as verbal warnings, written warnings, suspension, and termination.
- Grounds for Disciplinary Action: This section outlines the grounds for disciplinary action, such as violation of MFA policies, misconduct, poor performance, and attendance issues.
- Disciplinary Process: This section outlines the process for initiating and conducting disciplinary action, including guidelines for investigation, notification, and documentation.
- Employee Rights: This section outlines the rights of employees during the disciplinary process, such as the right to due process and the right to appeal.
- Supervisor Responsibilities: This section outlines the responsibilities of supervisors in initiating and conducting disciplinary action, including guidelines for communication, documentation, and follow-up.
- Confidentiality: This section outlines the confidentiality requirements related to disciplinary action, including guidelines for sharing information with appropriate parties while respecting individuals' privacy.
- Training and Awareness: This section outlines the training and awareness programs that the organization will implement to ensure that supervisors and employees understand and comply with the policy.


## 2. Completing FMLA Documentation

For the FMLA testing, return to work documentation for one employee was not documented. Within the employee's Personnel Action Form (PAF), there was a designated spot for the employee's return date, but this spot was left blank. To have complete and accurate FMLA documentation, MFA should make sure to enter return to work dates for employees returning from FMLA leave.

## 3. Completing Employee Status Documentation

During employee termination testing, we discovered that two of our five selections were temporary employees and not eligible for benefits. This information was verbally communicated during our testing and was not documented on the employees' PAFs. MFA should ensure it marks the correct employee status box on PAFs to clearly show whether an employee is benefit-eligible.

## APPENDIX A: DEFINITIONS OF INTERNAL AUDIT FINDING RANKINGS

A qualitative assessment of high, medium, or low helps to prioritize implementation of corrective action as shown in the following table.


Critical control deficiencies that expose MFA to a high degree of combined risks. Recommendations from high-risk findings should be implemented immediately (preferably within three months) to address areas with the most significant impact or highest likelihood of significant noncompliance, loss, misappropriation, or damage related to the MFA assets.

Represents less than critical deficiencies that expose MFA to a moderate degree of combined risks. Recommendations arising from medium-risk findings should be implemented in a timely manner (preferably within six months), to address moderate risks and strengthen or enhance efficiency in internal controls on areas with moderate impact and likelihood of exposure.

Represents low risk or control deficiencies and the exposure is not likely to expose MFA to a significant likelihood of material noncompliance. However, these should be addressed to improve efficiency and effectiveness of operations. Recommendations arising from low-risk findings should be implemented within 12 months.

TO: MFA Board<br>Through: Policy Committee (February 6, 2024)<br>Through: Finance Committee (February 13, 2024)

FROM: Christi Wheelock, Tax Credit Program Analyst
Alex Lundy, Finance Manager

DATE: February 21, 2024

SUBJECT: Delegation of Authority for Multifamily Bond Inducement Resolution
Approval - One Year Renewal

## Recommendation

This request recommends that the MFA Board approve the 2024 annual Inducement Resolution for the Multifamily Bond program; this would extend the 2023 approval for another year to delegate the authority to issue individual Inducement Resolutions to each project. The following individuals would be authorized to execute the Inducement Resolution and the resolution will be reported to the Board as a staff action:

- Isidoro Hernandez, Executive Director
- Arundhati Bose, Chief Financial Officer
- Jeff Payne, Chief Lending Officer
- Donna Maestas-DeVries, Chief Housing Officer


## Background

In March of 2023, the MFA Board of Directors approved the delegation of authority to the MFA Executive Officers to issue an Inducement Resolution for each multifamily bond transaction on an annual basis. This action has successfully allowed two projects to receive Private Activity Bonds in 2023 through the process below:

An Inducement Resolution is drafted by bond counsel for each project, which is then presented for approval to one of the authorized MFA Executive Officers. This approval does not require MFA to issue private activity bonds; it indicates a willingness to issue bonds when all conditions are met after they are reviewed by the State Board of Finance, MFA Policy Committee, MFA Finance Committee and finally by the MFA Board of Directors.

1. Once the Inducement Resolution is approved, MFA submits it with an application to the State Board of Finance for approval of private activity bond volume cap.
2. A Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing is held, and the Certificate of Governor is sent to the Governor's Office for certification.
3. Upon approval of private activity bond volume cap, the Bond Resolution is drafted and presented for approval to Policy Committee, Finance Committee and the MFA Board. The Bond Resolution is executed by the Board Chair and attested to by the Secretary.

## Discussion

The renewal recommendation seeks to continue to streamline the approval process for Inducement Resolutions by extending the delegation of authority to approve such resolutions for an additional one-year period. This streamlined process enables developers to promptly account for eligible costs for tax credits and any qualifying expenses incurred in the preceding 60 days. Importantly, the approval of an Inducement Resolution does not create an obligation for MFA to issue private activity bonds; this approval is a procedural step, signifying a request for bond issuance rather than a financial obligation.

## Summary

MFA Staff recommends renewal of the approval from the MFA Board to delegate the authority to issue individual Inducement Resolutions to each project as a staff action, extending the approval for another year. The following individuals would be authorized to execute the Inducement Resolutions issued through a staff action:

- Isidoro Hernandez, Executive Director
- Arundhati Bose, Chief Financial Officer
- Jeff Payne, Chief Lending Officer
- Donna Maestas-DeVries, Chief Housing Officer

Reimbursement Intent Delegation Resolution<br>New Mexico Mortgage Finance Authority Multifamily Housing Revenue Bond Program


#### Abstract

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AUTHORIZING CERTAIN OFFICERS TO GRANT PRELIMINARY FEDERAL TAX LAW APPROVAL REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO FINANCE MULTIFAMILY HOUSING DEVELOPMENTS


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, 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 (a) to issue revenue bonds to achieve its corporate purposes, including, but not limited to, the making of project mortgage loans to finance the acquisition, construction or rehabilitation of multiple-family dwelling projects (each, a "Project"), (b) to issue refunding bonds to refund outstanding bonds of the Authority, (c) to enter into agreements for the purpose of providing revenues to pay such revenue bonds upon such terms and conditions as the Authority may deem advisable, and (d) to secure the payment of such revenue bonds; and

WHEREAS, from time to time, to comply with the Internal Revenue Code of 1986, as amended (the "Code"), and Section 1.150-2 of the Treasury Regulations, hereinafter referred to as the "Regulations"), individual developers/borrowers or affiliates thereof (each, the "Borrower") have requested that the Authority take official action evidencing an intent to reimburse certain qualified expenditures with proceeds of one or more issues of tax-exempt multifamily housing revenue bonds or notes ("Bonds"), such expenditures to be paid with funds of the Borrower to finance in part the acquisition, construction and/or rehabilitation of a Project; and

WHEREAS, the Code and the Regulations permit the Authority to delegate to specified senior employees the authority to declare the "official intent" of the Authority to consider issuing bonds for the purpose of reimbursing the Borrower for Project costs; and

WHEREAS, because (a) many Borrower requests are often time sensitive and (b) official intent actions do not legally obligate the Authority to issue any Bonds, the Authority has determined to delegate to its Executive Director/Chief Executive Officer, its Chief Financial Officer, its Chief Lending Officer and its Chief Housing Officer (each, an "Authorized Officer") the authority to declare the official intent of the Authority to reimburse certain capital expenditures of the Borrower from the proceeds of future Bonds for the benefit of the Borrower.

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

Section 1. Delegation to Authorized Officers of Authority to Declare Official Intent. Any Authorized Officer is authorized to take such action to declare the official intent of the Authority to (a) issue its Bonds for the purpose of loaning the proceeds thereof to finance the costs of a Project and (b) reimburse the Borrower for such Project costs expended by the Borrower prior to the issuance of the Bonds, all in accordance with and pursuant to the Regulations. Such action shall be memorialized in writing and shall be reported to the Board at its next succeeding meeting.

Section 2. Conditions. Any such official intent and preliminary approval does not obligate the Authority to approve the issuance of any Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Authority action, which may contain such conditions thereto as the Authority may deem appropriate. The Authority in its absolute discretion may refuse to authorize the issuance of Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.

Section 3. Prior Resolutions. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 4. Effectiveness. This Resolution shall be effective immediately. Such delegation and authorization shall expire on January 15, 2025.

## ADOPTED:

Aye:

Nay:
Abstain:
Absent:

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

## Chair

(SEAL)

## ATTEST:

Secretary

New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

December 31, 2023

|  | COMPARATIVE FISCAL YEAR-TO-DATE FIGURES (Dollars in millions): | $\begin{gathered} 3 \text { months } \\ 12 / 31 / 2023 \end{gathered}$ | $\begin{aligned} & 3 \text { months } \\ & 12 / 31 / 2022 \end{aligned}$ | \% Change Year/Year | $\begin{aligned} & \text { Forecast } \\ & 12 / 31 / 2023 \\ & \hline \end{aligned}$ | Actual to Forecast | Forecast/Target 9/30/24 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCTION |  |  |  |  |  |  |  |
| 1 | Single family issues (new money): | \$125.0 | \$75.0 | 66.7\% | \$75.2 | 66.3\% | \$300.6 |
| 2 | Single family loans sold (TBA): | \$22.4 | \$0.0 |  | \$6.1 | 267.2\% | \$24.4 |
| 3 | Total Single Family Production | \$147.4 | \$75.0 | 96.5\% | \$81.3 | 81.4\% | \$325.0 |
| 4 | Single Family Bond MBS Payoffs: | \$11.0 | \$15.8 | -30.3\% | \$15.0 | -26.3\% | \$59.8 |
| STATEMENT OF NET POSITION |  |  |  |  |  |  |  |
| 5 | Avg. earning assets: | \$1,834.3 | \$1,663.0 | 10.3\% | \$1,985.3 | -7.6\% | \$1,985.3 |
| 6 | General Fund Cash and Securities: | \$113.1 | \$97.6 | 15.9\% | \$117.4 | -3.7\% | \$117.4 |
| 7 | General Fund SIC FMV Adj.: | \$0.0 | \$0.3 | -101.3\% | N/A | N/A | N/A |
| 8 | Total bonds outstanding: | \$1,671.8 | \$1,372.6 | 21.8\% | \$1,712.5 | -2.4\% | \$1,712.5 |
| StATEMENT OF REVENUES, EXPENSES AND NET POSITION |  |  |  |  |  |  |  |
| 9 | General Fund expenses (excluding capitalized assets): | \$7.3 | \$6.8 | 7.1\% | \$7.8 | -6.5\% | \$30.3 |
| 10 | General Fund revenues: | \$8.6 | \$7.9 | 8.3\% | \$7.6 | 13.2\% | \$31.7 |
| 11 | Combined net revenues (all funds): | \$5.7 | \$1.6 | 246.9\% | (\$0.0) | 52342.5\% | (\$0.0) |
| 12 | Combined net revenues excluding SIC FMV Adj. (all funds): | \$5.3 | \$1.7 | 210.5\% | (\$0.0) | 49066.4\% | (\$0.0) |
| 13 | Combined net position: | \$306.7 | \$287.3 | 6.8\% | \$350.0 | -12.4\% | \$350.0 |
| 14 | Combined return on avg. earning assets: | 1.24\% | 0.40\% | 214.5\% | 0.00\% | 56644.2\% | 0.00\% |
| 15 | Combined return on avg. earning assets excluding SIC FMV Adj. (all funds): | 1.17\% | 0.41\% | 181.5\% | 0.00\% | 53098.4\% | 0.00\% |
| 16 | Net TBA profitability: | 0.91\% | 0.00\% |  | 0.10\% | 814.1\% | 0.10\% |
| 17 | Combined interest margin: | 0.95\% | 0.84\% | 12.9\% | 0.40\% | 134.2\% | 0.40\% |
|  | MOODY'S BENCHMARKS |  |  |  |  |  |  |
| 18 | Net Asset to debt ratio (5-yr avg): | 23.81\% | 25.31\% | -5.9\% | 24.82\% | -4.0\% | 24.82\% |
| 19 | Net rev as a \% of total rev (5-yr avg): | 8.58\% | 6.87\% | 24.9\% | 8.98\% | -4.4\% | 8.98\% |
|  | SERVICING |  |  |  |  |  |  |
| 20 | Subserviced portfolio | \$2,245.6 | \$1,961.3 | 14.5\% | \$2,149.4 | 4.5\% | \$2,217.7 |
| 21 | Servicing Yield (subserviced portfolio) | 0.37\% | 0.42\% | -10.7\% | 0.36\% | 3.3\% | 0.36\% |
| 22 | Combined average delinquency rate (MFA serviced) | 9.10\% | 8.95\% | 1.7\% | 9.50\% | -4.2\% | 9.50\% |
| 23 | DPA loan delinquency rate (all) | 8.52\% | 9.04\% | -5.8\% | N/A | N/A | N/A |
| 24 | Default rate (MFA serviced-annualized) | 0.20\% | 0.56\% | -64.3\% | 0.33\% | -38.5\% | 1.30\% |
| 25 | Subserviced portfolio delinquency rate (first mortgages) | 12.97\% | 12.31\% | 5.4\% | N/A | N/A | N/A |
| 26 | Purchased Servicing Rights Valuation Change (as of 12/31/23) | \$30.6 | \$11.4 | 168.7\% | N/A | N/A | N/A |

## For the three-month period ended December 31, 2023

## SUMMARY OF BOND ISSUES:

Single Family Issues:
2023D: \$125.0M

## CURRENT YEAR FINANCIAL TRENDS \& VARIANCES:

- MFA has closed on one bond deal as of the start of the new fiscal year, for $\$ 125$ million. This bond deal is the largest single-family bond deal that MFA has issued, due to increased single-family mortgage production thorughout 2023; even mortgages funded via TBA outpaced its forecast for the month. MFA has exceeded our overall single-family production forecast (made in September 2023) by 81\%. Payoffs have slowed $30 \%$, primarily because of the high-interest rate environment.
- Average earning assets are $10 \%$ higher than they were at least year, though slightly behind where we forecasted for the month. Increases in new bond issues primarily explain how MFA is earning interest on its balance sheet mortgages. General Fund investments with the State Investment Council saw a small loss this past month, largely due to macro-economic factors outside of MFA's control.
- Revenues and expenses for the month were higher than they were last year, although expenses were lower than its budget for the month. With revenues outpacing expenses, our combined net revenues saw a welcome gain
- MFA's combined interest margin increased to $0.95 \%$ from $0.84 \%$ last year due to higher interest income on loans and investments. The rising interest rates are positively impacting loan portfolio performance, bolstering MFA's investment income and discouraging homeowners from refinancing their loans.
- Based on Moody's issuer credit rating scorecard, MFA's $23.81 \%$ 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 $8.58 \%$, just shy of the optimal range ( $10-15 \%$ ). 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 lowrisk 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.
- 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 $12.97 \%$. The subserviced portfolio is currently characterized by approximately $82 \%$ FHA-insured loans. The Mortgage Bankers Association quarterly survey as of September 30, 2023, indicates that the delinquency rate for FHA loans nationally is $9.50 \%$, and for New Mexico is $8.04 \%$. In addition, FHA Single Family Loan Performance Trends for November 2023 showed $13.51 \%$ delinquency (for purchase loans only), which increased from 11.97\% in October 2023. Please note, FHA delinquency data is only available from HUD through November month-end.
- The fair market value for purchased servicing rights as of December 2023 is $\$ 30.6$ million, an increase of about $\$ 9.4$ million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections, and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is $\$ 21.1$ million. Valuations are obtained every quarter.
- Items 2 and 16 do not show a percent change year over year. As last year's values were zero, the percentage resulted in an error, resulting from an attempt to divide by zero. While the trend is positive, there is not a accurate depiction of the change as a percentage.
- The forecasted numbers for FYE 2024 are based off of actuals ending September 2023.

Assets Under Management as of 12/31/2023 (\$ in thousands)


YTD Annualized Payoffs as a percentage of Single Family Mortgage Portfolio as of 09/30/2024


YTD Excess Revenues over Expenses as of 12/31/2023


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership Preservation Program (2) NM Affordable Housing Charitable Trust Fund; Land Title Trust Fund; Housing Trust Fund


## YTD EXCESS REVENUE OVER EXPENSES ANNUALIZED




## NEW MEXICO MORTGAGE FINANCE AUTHORITY COMBINED STATEMENT OF NET POSITION DECEMBER 2023 <br> (THOUSANDS OF DOLLARS)

|  | YTD 12/31/23 | YTD 12/31/22 |
| :---: | :---: | :---: |
| ASSETS: |  |  |
| CURRENT ASSETS: |  |  |
| CASH \& CASH EQUIVALENTS | \$60,698 | \$53,385 |
| RESTRICTED CASH HELD IN ESCROW | 9,858 | 9,334 |
| SHORT-TERM INVESTMENTS | - | - |
| ACCRUED INTEREST RECEIVABLE | 6,532 | 4,842 |
| OTHER CURRENT ASSETS | 6,784 | 6,725 |
| ADMINISTRATIVE FEES RECEIVABLE (PAYABLE) | - | - |
| INTER-FUND RECEIVABLE (PAYABLE) | (0) | (0) |
| TOTAL CURRENT ASSETS | 83,873 | 74,286 |
| CASH - RESTRICTED | 148,191 | 126,249 |
| LONG-TERM \& RESTRICTED INVESTMENTS | 67,632 | 60,554 |
| INVESTMENTS IN RESERVE FUNDS | - | - |
| FNMA, GNMA, \& FHLMC SECURITIZED MTG. LOANS | 1,575,900 | 1,286,982 |
| MORTGAGE LOANS RECEIVABLE | 192,538 | 179,418 |
| ALLOWANCE FOR LOAN LOSSES | $(9,288)$ | $(9,856)$ |
| NOTES RECEIVABLE | - | - |
| FIXED ASSETS, NET OF ACCUM. DEPN | 11,571 | 1,755 |
| OTHER REAL ESTATE OWNED, NET | 3,292 | 2,125 |
| OTHER NON-CURRENT ASSETS | 10 | 13 |
| INTANGIBLE ASSETS | 21,565 | 18,090 |
| TOTAL ASSETS | 2,095,282 | 1,739,607 |
| DEFERRED OUTFLOWS OF RESOURCES |  |  |
| REFUNDINGS OF DEBT | 146 | 178 |
| TOTAL ASSETS \& DEFERRED OUTFLOWS OF RESOURCES | 2,095,428 | 1,739,785 |
| LIABILITIES AND NET POSITION: |  |  |
| LIABILITIES: |  |  |
| CURRENT LIABILITIES: |  |  |
| ACCRUED INTEREST PAYABLE | \$21,629 | \$16,669 |
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | 15,743 | 20,134 |
| ESCROW DEPOSITS \& RESERVES | 9,689 | 9,207 |
| TOTAL CURRENT LIABILITIES | 47,061 | 46,009 |
| BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT | 1,671,817 | 1,372,600 |
| MORTGAGE \& NOTES PAYABLE | 69,071 | 33,446 |
| ACCRUED ARBITRAGE REBATE | - | - |
| OTHER LIABILITIES | 524 | 210 |
| TOTAL LIABILITIES | 1,788,474 | 1,452,266 |
| DEFERRED INFLOWS | 238 | 268 |
| TOTAL LIAB/DEFERRED INFLOWS | 1,788,712 | 1,452,534 |
| NET POSITION: |  |  |
| NET INVESTED IN CAPITAL ASSETS | 11,571 | 1,755 |
| UNAPPROPRIATED NET POSITION (NOTE 1) | 75,948 | 61,969 |
| APPROPRIATED NET POSITION (NOTE 1) | 219,197 | 223,527 |
| TOTAL NET POSITION | 306,716 | 287,251 |
| TOTAL LIABILITIES \& NET POSITION | 2,095,428 | 1,739,785 |

NEW MEXICO MORTGAGE FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE THIRD MONTH ENDED DECEMBER 2023 (THOUSANDS OF DOLLARS)

|  | $\underline{\text { YTD 12/31/23 }}$ | YTD 12/31/22 |
| :---: | :---: | :---: |
| OPERATING REVENUES: |  |  |
| INTEREST ON LOANS | \$16,844 | \$12,526 |
| INTEREST ON INVESTMENTS \& SECURITIES | 2,581 | 1,375 |
| LOAN \& COMMITMENT FEES | 1,329 | 949 |
| ADMINISTRATIVE FEE INCOME (EXP) | 1,490 | 1,251 |
| RTC, RISK SHARING \& GUARANTY INCOME | 8 | 9 |
| HOUSING PROGRAM INCOME | 66 | 34 |
| LOAN SERVICING INCOME | 2,406 | 2,828 |
| OTHER OPERATING INCOME | - | - |
| SUBTOTAL OPERATING REVENUES | 24,726 | 18,972 |
| NON-OPERATING REVENUES: |  |  |
| ARBITRAGE REBATE INCOME (EXPENSE) | - | - |
| GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT | (18) | (59) |
| OTHER NON-OPERATING INCOME | 60 | 0 |
| GRANT AWARD INCOME | 25,851 | 18,619 |
| SUBTOTAL NON-OPERATING REVENUES | 25,894 | 18,561 |
| TOTAL REVENUES | 50,620 | 37,532 |
| OPERATING EXPENSES: |  |  |
| ADMINISTRATIVE EXPENSES | 5,938 | 6,116 |
| INTEREST EXPENSE | 15,077 | 10,409 |
| AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT) | (721) | (749) |
| PROVISION FOR LOAN LOSSES | (27) | (11) |
| MORTGAGE LOAN \& BOND INSURANCE | - | - |
| TRUSTEE FEES | 47 | 40 |
| AMORT. OF SERV. RIGHTS \& DEPRECIATION | 417 | 406 |
| BOND COST OF ISSUANCE | 1,057 | 699 |
| SUBTOTAL OPERATING EXPENSES | 21,788 | 16,910 |
| NON-OPERATING EXPENSES: |  |  |
| CAPACITY BUILDING COSTS | 69 | 18 |
| GRANT AWARD EXPENSE | 23,062 | 18,960 |
| OTHER NON-OPERATING EXPENSE | - | - |
| SUBTOTAL NON-OPERATING EXPENSES | 23,131 | 18,978 |
| TOTAL EXPENSES | 44,920 | 35,888 |
| NET REVENUES | 5,700 | 1,643 |
| OTHER FINANCING SOURCES (USES) | - | - |
| NET REVENUES AND OTHER FINANCING SOURCES(USES) | 5,700 | 1,643 |
| NET POSITION AT BEGINNING OF YEAR | 301,015 | 285,608 |
| NET POSITION AT 12/31/23 | 306,716 | 287,251 |

## NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only)
(in Thousands of Dollars)
(Note 1) MFA Net Position as of December 31, 2023

UNAPPROPRIATED NET POSITION:

| $\$$ | 34,382 | is held by Bond Program Trustees and is pledged to secure repayment of the Bonds. |
| :--- | ---: | :--- |
| $\$$ | 40,771 | is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund. |
| $\$$ | 795 | is held for New Mexico Affordable Housing Charitable Trust. |
| $\$$ | $\mathbf{7 5 , 9 4 8}$ | 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:

| \$ | 118,129 | for use in the Housing Opportunity Fund (\$108,184 in loans and grants plus $\$ 9,945$ unfunded, of which $\$ 5,276$ is committed). |
| :---: | :---: | :---: |
| \$ | 28,363 | for future use in Single Family \& Multi-Family housing programs. |
| \$ | 1,086 | for loss exposure on Risk Sharing loans. |
| \$ | 11,571 | invested in capital assets, net of related debt. |
| \$ | 21,145 | invested in mortgage servicing rights. |
| \$ | 29,783 | for the future General Fund Budget year ending 09/30/24 (\$38,374 total budget less $\$ 8,591$ expended budget through $12 / 31 / 23$.) |
| \$ | 210,077 | Subtotal - General Fund |

## APPROPRIATED NET POSITION: HOUSING

$\$ \quad$ 20,691 for use in the federal and state housing programs administered by MFA.

| $\$$ | 20,691 | Subtotal - Housing Program |
| :--- | ---: | :--- |
| $\$$ | $\mathbf{2 3 0 , 7 6 8}$ | Total Appropriated Net Position |
| $\$$ | $\mathbf{3 0 6 , 7 1 6}$ | Total Combined Net Position at December 31,2023 |

Total combined Net Position, or reserves, at December 31, 2023 was $\$ 307$ million, of which $\$ 76$ million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. $\$ 231$ million of available reserves, with $\$ 113$ million primarily liquid in the General Fund and in the federal and state Housing programs and $\$ 117.7$ 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.

# Fiscal Year 2023-2024 Budget <br> <br> For the three months ended 12/31/2023 

 <br> <br> For the three months ended 12/31/2023}

|  | One Month Actual | Year to Date Actuals | Year to Date <br> ProRata Budget | Annual Budget | YTD Budget Under/(Over) | Annual Budget Under/(Over) | Expended Annual Budget \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue |  |  |  |  |  |  |  |
| Interest Income | 826,752 | 2,458,345 | 2,007,970 | 8,031,882 | $(450,374)$ | 5,573,537 | 30.61\% |
| Interest on Investments \& Securities | 304,771 | 932,124 | 707,511 | 2,830,046 | $(224,613)$ | 1,897,922 | 32.94\% |
| Loan \& Commitment Fees | 26,387 | 68,829 | 38,250 | 153,000 | $(30,579)$ | 84,171 | 44.99\% |
| Administrative Fee Income (Exp) | 807,700 | 2,526,128 | 2,407,298 | 9,629,192 | $(118,830)$ | 7,103,063 | 26.23\% |
| Risk Sharing/Guaranty/RTC fees | 1,814 | 8,085 | 160,252 | 641,008 | 152,167 | 632,923 | 1.26\% |
| Housing Program Income | 29,480 | 66,484 | 83,656 | 1,835,258 | 17,172 | 1,768,774 | 3.62\% |
| Loan Servicing Income | 812,181 | 2,406,398 | 2,139,843 | 8,559,371 | $(266,555)$ | 6,152,973 | 28.11\% |
| Other Operating Income |  |  | - | - | - | - |  |
| Operating Revenues | 2,809,084 | 8,466,393 | 7,544,781 | 31,679,756 | $(921,612)$ | 23,213,363 | 26.72\% |
| Gain (Loss) Asset Sale/Debt Ex | 1,042,850 | 31,945 | - | - | $(31,945)$ | $(31,945)$ |  |
| Other Non-operating Income | 20,065 | 60,155 | 15,059 | 60,235 | $(45,096)$ | 80 | 99.87\% |
| Non-Operating Revenues | 1,062,915 | 92,100 | 15,059 | 60,235 | $(77,041)$ | $(31,865)$ | 152.90\% |
| Revenue | 3,871,999 | 8,558,493 | 7,559,840 | 31,739,991 | $(998,653)$ | 23,181,498 | 26.96\% |
| Expenses |  |  |  |  |  |  |  |
| Salaries | 594,594 | 1,598,253 | 2,246,431 | 8,323,579 | 648,178 | 6,725,326 | 19.20\% |
| Overtime | 2,989 | 9,940 | 8,412 | 31,885 | $(1,527)$ | 21,946 | 31.17\% |
| Incentives | 170,692 | 131,113 | 192,855 | 714,768 | 61,742 | 583,656 | 18.34\% |
| Payroll taxes, Employee Benefits | 317,929 | 790,745 | 1,125,681 | 4,381,069 | 334,936 | 3,590,324 | 18.05\% |
| Compensation | 1,086,204 | 2,530,051 | 3,573,380 | 13,451,302 | 1,043,329 | 10,921,251 | 18.81\% |
| Business Meals Expense | 227 | 658 | 3,475 | 13,900 | 2,817 | 13,242 | 4.73\% |
| Public Information | 29,273 | 65,423 | 90,477 | 361,909 | 25,055 | 296,486 | 18.08\% |
| In-State Travel | 8,516 | 41,747 | 35,395 | 141,581 | $(6,352)$ | 99,834 | 29.49\% |
| Out-of-State Travel | 4,678 | 55,391 | 78,518 | 314,070 | 23,127 | 258,679 | 17.64\% |
| Travel \& Public Information | 42,695 | 163,218 | 207,865 | 831,460 | 44,647 | 668,242 | 19.63\% |
| Utilities/Property Taxes | 20,793 | 47,853 | 52,641 | 210,562 | 4,788 | 162,710 | 22.73\% |
| Insurance, Property \& Liability | 23,567 | 69,552 | 61,378 | 245,510 | $(8,174)$ | 175,958 | 28.33\% |
| Repairs, Maintenance \& Leases | 159,606 | 388,264 | 437,084 | 1,709,334 | 48,820 | 1,321,070 | 22.71\% |
| Supplies | 2,241 | 9,415 | 8,675 | 34,700 | (740) | 25,285 | 27.13\% |
| Postage/Express mail | 4,514 | 13,228 | 11,400 | 45,600 | $(1,828)$ | 32,372 | 29.01\% |
| Telephone | 1,798 | 5,341 | 7,375 | 29,501 | 2,034 | 24,160 | 18.10\% |
| Janitorial | 3,675 | 12,335 | 22,285 | 89,139 | 9,950 | 76,804 | 13.84\% |
| Office Expenses | 208,221 | 529,772 | 591,143 | 2,325,571 | 61,371 | 1,795,799 | 22.78\% |
| Dues \& Periodicals | 14,278 | 29,224 | 20,024 | 80,097 | $(9,200)$ | 50,873 | 36.49\% |
| Education \& Training | 1,523 | 23,968 | 43,298 | 173,193 | 19,330 | 149,225 | 13.84\% |
| Contractual Services | 122,012 | 298,276 | 364,658 | 1,458,632 | 66,382 | 1,160,357 | 20.45\% |
| Professional Services-Program | 21,375 | 36,950 | 28,975 | 115,900 | $(7,975)$ | 78,950 | 31.88\% |
| Direct Servicing Expenses | 694,927 | 2,009,584 | 1,465,120 | 5,860,479 | $(544,465)$ | 3,850,895 | 34.29\% |
| Program Expense-Other | 16,268 | 40,492 | 69,456 | 277,824 | 28,964 | 237,332 | 14.57\% |

DEC23 Board Budget Variance.xlsx

Rebate Analysis Fees Other Operating Expense Interest Expense Non-Cash Expenses Expensed Assets Operating Expenses

Program Training \& Tech Asst Program Development Capacity Building Costs Non-Operating Expenses

## Expenses

Excess Revenue over Expenses

| One Month Actual | Year to Date Actuals | Year to Date ProRata Budget | Annual Budget | YTD Budget <br> Under/(Over) | Annual Budget Under/(Over) | Expended Annual Budget \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 398 | 1,590 | 398 | 1,590 |  |
| 870,384 | 2,438,494 | 1,991,929 | 7,967,715 | $(446,566)$ | 5,529,221 | 30.60\% |
| 332,930 | 1,036,376 | 472,509 | 1,890,036 | $(563,867)$ | 853,660 | 54.83\% |
| 155,767 | 394,845 | 849,179 | 3,396,718 | 454,335 | 3,001,873 | 11.62\% |
| 38,380 | 118,693 | 43,337 | 173,350 | $(75,356)$ | 54,657 | 68.47\% |
| 2,734,581 | 7,211,448 | 7,729,342 | 30,036,151 | 517,895 | 22,824,703 | 24.01\% |
| 2,421 | 8,257 | 25,811 | 103,242 | 17,554 | 94,985 | 8.00\% |
| 28,185 | 61,061 | 34,075 | 136,300 | $(26,986)$ | 75,239 | 44.80\% |
| 30,607 | 69,318 | 59,886 | 239,542 | $(9,432)$ | 170,224 | 28.94\% |
| 30,607 | 69,318 | 59,886 | 239,542 | $(9,432)$ | 170,224 | 28.94\% |
| 2,765,187 | 7,280,766 | 7,789,228 | 30,275,693 | 508,462 | 22,994,927 | 24.05\% |
| 1,106,812 | 1,277,727 | $(229,388)$ | 1,464,298 | $(1,507,115)$ | 186,571 | 87.26\% |

2690 PURCHASED SERVICING RIGHTS

2950 COMPUTER HARDWARE

## 2960 SOFTWARE LICENSES

2920 FURNITURE \& EQUIPMENT-10 YR

2930 FURNITURE \& EQUIP, 5 YR.

2860 BUILDING
Capital Budget

| 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 \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current Month | Year to Date | Year to Date | Year to Date | Year to Date | Year to Date | Year to Date |
| 458,775 | 1,310,474 | 943,091 | 3,772,362 | $(367,384)$ | 2,461,888 | 34.74\% |
| - | - | 26,331 | 105,324 | 26,331 | 105,324 | 0.00\% |
| - | - | - | - | - | - |  |
| - | - | 194,625 | 778,500 | 194,625 | 778,500 | 0.00\% |
| - | - | - | - | - | - |  |
| - | - | 860,547 | 3,442,189 | 860,547 | 3,442,189 | 0.00\% |
| 458,775 | 1,310,474 | 2,024,594 | 8,098,375 | 714,120 | 6,787,901 | 16.18\% |




New Mexico Mortgage Finance Authority
Loan and Credit Line Activity
As of $12 / 31 / 2023$

| Lender | Purpose | Collateral | Board <br> Authorization Date | Authority Limit | Outstanding 09/30/2023 | Advances | Repayments | Outstanding 12/31/2023 | Maturity | Interest Rate as of 12/31/23 | 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 | 70,000,000 | 250,750,000 | 275,750,000 | 45,000,000 | 1/11/2024 | 5.59\% | 825,666 |
| FHLB | Mortgage Backed Security Warehouse, Loans Held for Sale Program \& operations | Securities | October 2017 | 25,000,000 | - | 30,000,000 | 15,000,000 | 15,000,000 | 12/2/2024 | 5.41\% | 121,344 |
| Main Bank | Loan for Building on Jefferson | Jefferson Building | May 15, 2023 | 8,000,000 | 7,783,541 | - | 164,346 | 7,619,195 | 5/15/2033 | 4.26\% | 83,818 |
| USDA-RD | Preservation Revolving Loan Fund Demonstration Program | PRLF mortgage loans | September 2015 April 2014, March 2019, September | 2,125,000 | - | - | - | - | n/a |  |  |
| SBIC | Capitalize Primero Loan Fund | None | 2023 | 3,500,000 | - | - |  | - | 11/30/2028 | n/a |  |
| FHLB | Mortgage Revenue Bond (MRB) Warehousing | MRB Mortgage backed securities | June 2013 | 30,000,000 | - | - | - | - | n/a | n/a |  |
| Wells Fargo | Capitalize Primero Loan Fund | None | October 2011 | 850,000 | 106,250 | 106,250 | 212,500 | - | 12/7/2023 | 2.00\% | 260 |
| USDA-RD | Preservation Revolving Loan Fund Demonstration Program | PRLF mortgage loans | May 2011 | 2,000,000 | 1,451,969 | - |  | 1,451,969 | 1/20/2042 | 1.00\% | 3,660 |
|  | TOTAL |  |  | 131,475,000 | 79,341,760 | 280,856,250 | 291,126,846 | 69,071,164 |  |  | 1,034,747 |

NEW MEXICO MORTGAGE FINANCE AUTHORITY

## Contracted Services/Credit Committee Meeting

Tuesday, February 13, $2024 @ 10: 00$ am
MFA - Albuquerque
WebEx join the meeting from the calendar or call 1-408-418-9388 (access code): 24853161174

|  | AGENDA ITEM | TIME <br> ALLOTTED | COMMITTEE <br> RECOMMENDED | BOARD <br> ACTION <br> REQUIRED |
| :--- | :--- | :--- | :--- | :---: |
| $\mathbf{1}$ | FY2023 Recurring Severance Tax Bond Funding <br> Resolution, Notification and Certification, and <br> Reallocation (Stephanie Gonzales \& Robyn <br> Powell) | $10: 00-10: 10$ | $2-0$ <br> Approved | YES |
| $\mathbf{2}$ | Housing Innovation Award Recommendations <br> (Daniela Freamon \& Sonja Unrau) | $10: 10-10: 20$ | $2-0$ <br> Approved | YES |
| $\mathbf{3}$ | Questions/comments from Committee |  |  | NO |

Committee Members present:
Rebecca Wurzburger, Chair
$\square$ present
$\square$ absent
$\square$ conference call
Attorney General Raul Torrez/Designee
Gideon Elliotpresent
$\square$ absent
$\square$ conference call
Patricia Sullivan
$\square$ present
$\square$ absent
$\square$ conference call
sunastosolver.

## TO: MFA Board of Directors

Through: Policy Committee on January 30, 2024<br>New Mexico Housing Trust Fund Advisory Committee on February 12, 2024 Contracted Services Committee on February 13, 2024<br>FROM: $\quad$ Robyn Powell, Director of Policy and Planning<br>Stephanie Gonzales, Research and Development Manager<br>DATE: February 21, 2024

SUBJECT: FY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Certification, and Allocation Amendment Recommendation

## Recommendation

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

## Background

In 2022, the State of New Mexico enacted Senate Bill 134 into law, allocating severance tax bonding capacity to the New Mexico Housing Trust Fund for the purposes of carrying out the provisions in the New Mexico Housing Trust Fund Act. Senate Bill 134 requires MFA to certify uses of the bond sale proceeds with the State Board of Finance. In 2023, the State of New Mexico enacted Senate Bill 384 that adjusted the effective date of Senate Bill 134 from state SFY2025 to SFY2024, setting into motion the actions recommended herein.

In April 2023, MFA Board of Director certified approved used for the SFY2024 Severance Tax Bond Funding to State Board of Finance. State Board of Finance provided guidance that MFA must recertify amendments to certified use allocations.

## Discussion

MFA staff have identified that the original certified uses should be reallocated to better serve the state of New Mexico. It has been determined that there is limited need for the "first mortgage; affordable homeownership loan purchase" certified use compared to the "down payment assistance" and "single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation" certified uses. As a result, staff recommends that $\$ 3,125,000$ of the first mortgage certified use be reallocated to the "down payment assistance certified use" and the remaining balance of $\$ 275,000$ be reallocated to the "single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation" certified use.

The table below outlines the anticipated impact of the amended certified uses.

| Certified Uses | Certified Use Amount Approved on April 19, 2023 | Certified Use Amount Amended on February 21, 2024 | Anticipated Impact |
| :---: | :---: | :---: | :---: |
| First mortgage; Affordable homeowners hip loan purchase | \$3,400,000 | \$- | MFA intended to use this certified use for 40-year loan modifications to ease the challenging market conditions that face homeowners during the coronavirus pandemic period. However, the need for 40-year loan modifications has been lower than anticipated. Further MFA has found solutions to provide loan modifications that do not require the New Mexico Housing Trust Fund. |
| Down Payment Assistance | \$8,500,000 | \$11,625,000 | The original allocation for this certified use was intended to help 366 households become homeowners through MFA's FirstDown Plus Program. Additional funding for this certified use will support 208 more households through this program. Demand for FirstDown Plus has exceeded expectations, resulting in an average of \$795,000 in reservations a week since it launched January 15, 2024. |
| Single family emergency repairs, accessibility, energy efficiency improvement $s$ and rehabilitation | \$1,000,000 | \$1,775,000 | The original allocation for this certified use was intended to provide weatherization and rehabilitation to 36 homes through the NMEnergy\$mart program. Additional funding for this certified use will support 20 more homes with urgent health and safety concerns. The weatherization single family program is funded by federal ( $\sim 65 \%$ ), private utility grants ( $\sim 20 \%$ ) and state ( $\sim 15 \%$ ). Flexible state funding is used to cover program gaps is federal and private sources. |

Reference Exhibit A: Amendment to State Fiscal Year 2024 Certified Uses as documentation of the allocation changes.

## Summary

Staff recommends that the MFA Board of Directors adopt the New Mexico Mortgage Finance Authority Resolution, Notification and Certification Amendment to the New Mexico State Board of Finance certifying the need for funding in the amount of $\$ 37,530,000$ for state fiscal year 2024. The amended
certification will reallocate the $\$ 3,400,000$ in the first mortgage; affordable homeownership loan purchase to down payment assistance for $\$ 3,125,000$ and to single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation for \$275,000.

# NEW MEXICO MORTGAGE FINANCE AUTHORITY <br> RESOLUTION, NOTIFICATION AND CERTIFICATION 

February 21, 2024
WHEREAS, the Legislature of the State of New Mexico (the "State"), at its 1975 regular session, adopted Chapter 303, Laws of New Mexico, 1975, known and cited as the Mortgage Finance Authority Act, NMSA 1978 §§ 58-18-1 through 58-18-27 (the "Act");

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

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

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

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

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

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

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

1. MFA, as trustee of the New Mexico Housing Trust Fund, hereby certifies and notifies the State Board of Finance that at least Thirty-seven Million Five Hundred Thousand Dollars $(\$ 37,500,000)$ is needed for the purposes listed on Exhibit $A$, and that each of such purposes: $(a)$ is an authorized use of such proceeds under the terms of the Severance Tax Bonding Act and the HTF Act, (b) constitutes a capital project, (c) does not include any indirect project costs or operational or working capital expenditures, and (d) to the extent proceeds are transferred to a non-governmental entity, complies (or will comply, when such proceeds are transferred) with the Affordable Housing Act, Sections 6-27-1 et seq. NMSA 1978, which codifies the exception to the Anti-Donation Clause of the New Mexico Constitution contemplated in Article IX, Section 14, Paragraphs E and F of the Constitution.
2. Should the purposes to which such funds are to be applied change such that (a) the amount allocated to any category shown on Exhibit A is increased or reduced by more than five percent (5\%), or (b) such changes result in an aggregate change in the amount needed to an amount which is less than the amount certified in this Resolution, the MFA will promptly (and no later than 60 days after such change is identified) supplement and re-certify to the State Board of Finance its needs as detailed on Exhibit A to reflect any updates in the anticipated or actual application of such proceeds in accordance with the Severance Tax Bonding Act and the HTF Act.
3. The State Board of Finance is hereby requested and instructed to issue and sell Bonds (expected to consist of short-term taxable severance tax notes) in the aggregate principal amount of Thirty-seven Million Five Hundred Thousand Dollars $(\$ 37,500,000)$ for the purposes set forth on Exhibit A.
4. During the course of expenditure of proceeds certified herein, MFA shall monitor the use and expenditure of proceeds and ensure proper reversions as provided in clause C of Section 7-2749 of the Severance Tax Bonding Act, and shall from time to time (at least annually) provide a written report to the State Board of Finance describing: (a) actual expenditure of Bond proceeds, (b) reconciliation of actual expenditures against anticipated and previously certified projects, (c) reversions, if any, (d) specific projects funded by proceeds deposited in any revolving loan fund, and (e) MFA's policies and procedures for determination and prioritization of eligible projects expected to be funded with proceeds of Bonds.
5. All conditions, contingencies and limitations imposed by law with respect to the certification of the need for the Bonds to finance the projects and the expenditure of funds with respect thereto, if any, have been satisfied.

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

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS
$\qquad$ DAY OF $\qquad$ 2024.

By:
Angel Reyes, Chair
New Mexico Mortgage Finance Authority

## CERTIFICATION

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

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

Isidoro Hernandez, Secretary

Exhibit A: Amendment to State Fiscal Year 2024 Certified Uses

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

$\widehat{\mathrm{Imian}}_{\text {min }}$ MEMO<br>TO: Board of Directors<br>THROUGH: Contracted Services Committee on February 13, 2024<br>New Mexico Housing Trust Fund Advisory Committee on February 12, 2024<br>Policy Committee on January 30, 2024<br>FROM: Daniela Freamon, Program Manager<br>Sonja Unrau, Sr. Research and Development Manager<br>DATE: February 21, 2024

## SUBJECT: Recommendation to Award \$262,498 to Sawmill Community Land Trust Application Under the Housing Innovation Notice of Funding Availability

## Recommendation

Staff recommends the approval of a $\$ 262,498$ award to the Sawmill Community Land Trust under the Housing Innovation Program Notice of Funding Availability (NOFA). The funding source of the Housing Innovation Program is New Mexico Housing Trust Funds, therefore staff recommends approval by MFA, as Trustee of the New Mexico Housing Trust Fund.

## Background

The Housing Innovation Program NOFA was approved by the MFA Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other MFA programs and an opportunity for eligible applicants to fund a community tailored housing solution. Through the $\$ 5$ million initially available from the New Mexico Housing Trust Fund, MFA assists underserved populations, to cultivate new partnerships, and to fund projects that may be scalable.

## Discussion

The Housing Innovation Program Scoring Committee was approved by the Policy Committee on September 5, 2023. Per the Scoring Committee review on January 17, 2024, the Sawmill Community Land Trust application met all threshold requirements and score sufficient points to merit an award.

## Sawmill Community Land Trust

The Sawmill Community Land Trust is a 501 (c)3 nonprofit community that offers rental units and homeownership opportunities to low- and moderate-income New Mexicans. The community lives on a 27-acre site which is home to 566 rental tenants and 97 homeowners.

If awarded, funding will address urgent repairs needed to the roofs of two large rental complexes, Sawmill Lofts and Villa Nueva. The Land Trust has obtained bids for both roofs and is prepared to contribute funding from their MFA reserve and Bank of Oklahoma reserve. Their reserves require $\$ 1,000 /$ unit and do not have sufficient funding to fully cover each bid.

| Recommended Award | \# of Units | Application Score |
| :---: | :---: | :---: |
| $\$ 262,498.00$ | 105 | 78 |

Leverage and Award Budget Recommendation.

|  | Sawmill Lofts | Sawmill Senior/Villa Nueva |
| :---: | :---: | :---: |
| Bid Amount | $\$ 309,418.33$ | $\$ 219,663.75$ |
| Available Reserves for Project <br> Leverage Based on Minimum <br> Balance Requirements | $\$ 171,152.08$ | $\$ 95,432.00$ |
| Award Budget <br> Recommendation | $\$ 138,266.25$ | $\$ 124,231.75$ |

## Summary

The Housing Innovation Scoring Committee recommends awarding $\$ 262,498$ to the Sawmill Community Land Trust under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund.

New Mexico Mortgage Finance Authority February 2024

## MFA Resources for Funding Affordable Loans

## 1. Tax-exempt bonds

## 2. Packaging loans into MBS and selling the loans

-. Selling MBS via the To-Be Announced (TBA) market through 3 rd party administrator

## 3. Downpayment assistance (DPA) to eligible borrowers

- Funds for downpayment is often the biggest obstacle for first-time homebuyers
- MFA has used more than $\$ 85$ million of Housing Opportunity funds to purchase DPA second mortgages the last 6 years


## MFA Production Growth and Shift

- Substantial increase in production through FY 2021
- FY 2022 production began declining with Next Home program pause, rising rates and home prices


CSG * Based on MBS settled or purchased each fiscal year.
ADVISORS
** FY2024 YTD actual production is shown through July 2023, and projected production is shown for subsequent months.

## MFA Has Generated a Mix of Revenue Streams

MFA has generated both immediate revenue from TBA, as well as long-term revenue streams from bonds.



* Based on actual loan production through FYE 2023 and projected production for subsequent months

[^0]
## It Pays to be Flexible

## Net Present Value: Funding with TBA or Bonds



- Assumes full spread mortgage rates and 84\% GNMA / 16\% Conventional loan split, with 0.5\% origination fee.
- Bond financing scenarios represent a full spread traditional bond issuance with premium PAC bonds.


## New Mexico Mortgage Finance Authority Single Family Mortgage Program Class I Bonds, 2024 Series AB

## \$96,000,000 2024 Series A (Non-AMT) \$24,000,000 2024 Series B (Federally Taxable)

Pricing Date: Delivery Date: Bond Rating: Financial Advisor: Senior Manager:

January 24, 2024
February 22, 2024
Aaa (Moody's)
CSG Advisors
RBC Capital Markets

## Transaction Summary

Bond proceeds will be used to finance $\$ 122.75 \mathrm{MM}$ of new loan production ( $74 \%$ GNMA / $26 \%$ FNMA split); for the first time in a decade, a portion (20\%) of new money financing was taxable to save volume cap

## Objectives:

- Finance loan production at attractive interest rates for buyers over a three-to-four-month origination period
- Strategically use MFA's ~\$26.6MM of zeroes to achieve full spread
- Keep negative arbitrage to a minimum
- Raise bond premium to cover the costs of issuance and cash flow lag


CSG
ADVISORS

## MFA as viewed by Rating Agencies

## MFA's Issuer Credit Rating was affirmed by Moody's Investors Service ("Moody's") in June 2020 with a "Aa3" / Stable rating

Strengths noted by Moody's included:

- High asset-to-debt ratio
- High quality of MFA's asset portfolio
- Low risk debt profile (no variable rate debt)
- Well-established risk management policies
- Sound oversight and management

Credit challenges:

- Lower profitability compared to Aa3 rating category peers; "expect trend to reverse"

2023 Moody's Update to Credit Analysis on Single Family Indenture (2005) "Aaa" / Stable:

- "Strong credit quality, strong asset-to-debt ratio, satisfactory liquidity resources, capable and active management team"
CSG

|  | Rating Definitions |  |
| :---: | :---: | :---: |
| Moody's | S\&P | Fitch |
| Aaa | AAA | AAA |
| Aa | AA | AA |
| A | A | A |
| Baa | BBB | BBB |
| Ba | BB | BB |
| B | B | B |
| C | D | D |
| $1,2,3$ | $+/-$ | $+/-$ |

## New Mexico Mortgage Finance Authority Board of Directors Meeting

Housing New Mexico

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## Historical Homeownership Rates (US vs NM) ${ }^{1}$




Top 20 State Homeownership Rates (4Q 2023) ${ }^{1}$

|  | West Virginia. | . |
| :---: | :---: | :---: |
| 2 | Delaware | 76.2 |
| 3 | Michigan | 75.9 |
| 4 | Vermont | 74.9 |
| 5 | Wyoming. | 74.4 |
| 6 | Mississippi | 74.3 |
| 7 | Montana | 74.1 |
| 8 | Minnesota | 73.9 |
| 9 | New Hampshire | 73.7 |
| 10 | Alabama | 73.6 |
| 11 | Maine. | 73.2 |
| 12 | South Carolina | 73.0 |
| 13 | Maryland. | 72.9 |
| 14 | New Mexico................ | 72.7 |
| 15 | Kentucky.. | 72.3 |
| 16 | Indiana. | 72.2 |
| 17 | Tennessee | 72.2 |
| 18 | Pennsylvania | 71.3 |
| 19 | Missouri. | 70.5 |
| 20 | Idaho. | 70.2 |

## Median Home Prices (December 2023) ${ }^{3}$

- U.S. Median Home Price: \$342,685 (up 2.6\% YOY)
- New Mexico Median Home Price: $\$ 288,855$ (up $4.8 \%$ YOY)


## Challenges

- Macro-Economic Conditions (inflation vs recession)
- Geopolitical Uncertainty (Wars in Ukraine and Middle-East)
- 2024 Elections (Uncertainty)
- Housing Unaffordability (lack of supply keeping prices high with high mortgage rates)
- Limited Private Activity Cap (loan production exceeding demand)
- TBA pricing will continue to be challenging


## Opportunities

- With elevated rates, single family bond financing continue to thrive
- Limited loan pay-offs will help balance sheet grow
- First-Time homebuyers 32\% of market in 2023*
- DPA will remain a critical component of HFA homeownership programs **


## HFAs' increasing use of DPA products is unlikely to abate



DPA--Down payment assistance. HFA--Housing finance agency. Source: S\&P Global Ratings.
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State HFA Single Family Programs

## MFA does not take real estate risk because mortgages are securitized into MBS (GNMA, FNMA and Freddie Mac). US Government guarantee on MBS gives MFA Bonds the highest Aaa rating.

|  |  | MBS |
| ---: | :--- | :--- |
| 1 | State HFAs MBS vs Whole Loan |  |
| 2 | Alaska Housing Finance Corporation | Whole Loan |
| 3 | Arkansas Development Finance Authority | Connecticut Housing Finance Authority |
| 4 | California Housing Finance Agency | Maine State Housing Authority |
| 5 | Delaware State Housing Authority | Michigan State Housing Development Authority |
| 6 | Florida Housing Finance Corporation | Montana Board of Housing |
| 7 | Georgia Housing and Finance Authority | New York State HFA / SONYMA |
| 8 | Idaho Housing \& Finance Association | North Dakota Housing Finance Agency |
| 9 | Illinois Housing Development Authority | Oregon Housing and Community Services Dept |
| 10 | Indiana Housing \& Comm Development Authority | Tennessee Housing Development Agency |
| 11 | lowa Finance Authority | Utah Housing Corporation |
| 12 | Kentucky Housing Corporation | Vermont Housing Finance Agency |
| 13 | Louisiana Housing Corporation | Virginia Housing Development Authority |
| 14 | Maryland Dept. of Housing \& Community Development | Wisconsin Housing \& Economic Devt Authority |
| 15 | Massachusetts Housing Finance Agency | Wyoming Community Development Authority |
| 16 | Minnesota Housing Finance Agency |  |
| 17 | Mississippi Home Corporation |  |
| 18 | Missouri Housing Dev Commission |  |
| 19 | Nebraska Investment Finance Authority |  |
| 20 | Nevada Housing Division |  |
| 21 | New Hampshire Housing Finance Authority |  |
| 22 | New Jersey Housing \& Mortgage Finance Agency |  |
| 23 | New Mexico Mortgage Finance Authority |  |
| 24 | North Carolina Housing Finance Agency |  |
| 25 | Ohio Housing Finance Agency |  |
| 26 | Oklahoma Housing Finance Agency |  |
| 27 | Pennsylvania Housing Finance Agency |  |
| 28 | Rhode Island Housing \& Mortgage Finance Corp |  |
| 29 | South Carolina State Housing Finance \& Development Authority |  |
| 30 | South Dakota Housing Development Authority |  |
| 31 | Texas Department of Housing and Community Affairs |  |
| 32 | Washington State Housing Finance Commission |  |
| 33 | West Virginia Housing Development Fund |  |

Single Family Housing Bond Volume in 2023 was the Highest Since 2007 (a third of which is taxable)


In 2023, HFAs issued the most single-family taxable bonds in history - shortage of private activity cap and to finance non-first-time homebuyer, higher income or higher purchase price loans

## Marketing Advertisement

RBC created the sale announcement and Indenture Summary below which our retail brokers and underwriters utilized to premarket NMMFA's 2024 Series AB bonds


Municipal Finance | New Issue Offering

## New Issue

RBC Capital Markets is pleased to announce the sale of the following municipal bond issue:


Housing New Mexico

## \$100,000,000*

New Mexico Mortgage Finance Authority Single Family Mortgage Program Class I Bonds \$80,000,000* 2024 Series A Bonds (Tax-Exempt) Non-AMT)
$\$ 20,000,000^{*} 2024$ Series B Bonds (Federally Taxable)

Click here to view the Preliminary Official Statement.
For inquiries regarding the purchase of the bonds, please
contact your RBC Wealth Management representative.
rbcwealthmanagement.com/usa

Transaction Overview
RBC Capital Markets Role
Senior Manager
Pricing Date*
January 24, 2024
Ratings
Moody's: Aaa
Tax Status**
Series A. Federal \& State
Tax-Exempt (Non-AMT)
Series B: Federally Taxable \& State
Tax-Exempt
Minimum Denomination \$5,000

## Maturities

2025-2055

Historical MFA Single Family Retail Orders

| Sale |  | Issue | New Mexico | Total Retail | \% NM of | \% Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Date | Series | Size | Retail Order | Orders | Retail | Retail |
| 01/24/2024 | 2024 Series A | \$96,000,000 | 2,615,000 | 18,535,000 | 14\% | 19\% |
| 10/19/2023 | 2023 Series D | \$125,000,000 | 23,210,000 | 60,715,000 | 38\% | 49\% |
| 07/13/2023 | 2023 Series C | \$100,000,000 | 3,835,000 | 53,275,000 | 7\% | 53\% |
| 04/20/2023 | 2023 Series B | \$80,000,000 | 1,385,000 | 31,235,000 | 4\% | 39\% |
| 01/25/2023 | 2023 Series A | \$60,000,000 | 7,090,000 | 28,710,000 | 25\% | 48\% |
| 11/08/2022 | 2022 Series E | \$74,990,000 | 4,785,000 | 45,275,000 | 11\% | 60\% |
| 07/12/2022 | 2022 Series D | \$99,990,000 | 14,560,000 | 68,840,000 | 21\% | 69\% |
| 04/12/2022 | 2022 Series C | \$90,000,000 | 9,145,000 | 18,480,000 | 49\% | 21\% |
| 01/13/2022 | 2022 Series A | \$100,000,000 | 1,185,000 | 16,890,000 | 7\% | 17\% |
| 10/13/2021 | 2021 Series D | \$99,990,000 | 2,155,000 | 15,740,000 | 14\% | 16\% |
| 07/08/2021 | 2021 Series C | \$100,000,000 | 9,810,000 | 28,125,000 | 35\% | 28\% |
| 04/13/2021 | 2021 Series A | \$78,000,000 | 333,500 | 12,015,000 | 3\% | 15\% |
| 09/24/2020 | 2020 Series B | \$55,000,000 | 1,880,000 | 20,085,000 | 9\% | 37\% |
| 01/22/2020 | 2020 Series A | \$70,000,000 | 6,080,000 | 27,650,000 | 22\% | 40\% |
| 10/02/2019 | 2019 Series F | \$120,000,000 | 23,360,000 | 53,355,000 | 44\% | 44\% |
| 07/09/2019 | 2019 Series D | \$100,000,000 | 7,810,000 | 22,235,000 | 35\% | 22\% |
| 04/10/2019 | 2019 Series C | \$80,000,000 | 7,450,000 | 18,485,000 | 40\% | 23\% |
| 01/17/2019 | 2019 Series A | \$70,000,000 | 2,680,000 | 20,970,000 | 13\% | 30\% |
| 11/01/2018 | 2018 Series D | \$49,900,000 | 2,010,000 | 7,055,000 | 28\% | 14\% |
| 08/08/2018 | 2018 Series C | \$75,000,000 | 8,710,000 | 17,200,000 | 51\% | 23\% |
| 06/06/2018 | 2018 Series B | \$65,000,000 | 4,320,000 | 9,765,000 | 44\% | 15\% |
| 04/03/2018 | 2018 Series A | \$62,000,000 | 6,360,000 | 14,240,000 | 45\% | 23\% |
| 10/03/2017 | 2017 Series B | \$57,250,000 | 1,805,000 | 3,010,000 | 60\% | 5\% |
| 10/26/2016 | 2016 Series C | \$68,250,000 | 5,950,000 | 6,735,000 | 88\% | 10\% |
| Total |  | \$1,976,370,000 | \$158,523,500 | \$618,620,000 |  |  |

Source: S\&P Global, iPreo

| 2024 Series A |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Retail |  |  |  | Final |  |  | Total |  |  |  | Balance |  |
| Maturity | Series | Type | CPN/YLD | Adjustment | CPN/YLD | Amount | NM Retail | NA Retail | Retail | tutional | Total |  | Subscription |
| 03/01/2025 | 2024A | Serial | 3.200\% |  | 3.200\% | 385 | \$200 | \$140 | \$340 |  | \$340 | \$45 | 0.9 |
| 09/01/2025 | 2024A | Serial | 3.200\% |  | 3.200\% | 385 | 100 | 200 | 300 |  | 300 | 85 | 0.8 |
| 03/01/2026 | 2024A | Serial | 3.250\% |  | 3.250\% | 395 | 200 | 225 | 425 |  | 425 |  | 1.1 |
| 09/01/2026 | 2024A | Serial | 3.250\% |  | 3.250\% | 405 |  | 225 | 225 |  | 225 | 180 | 0.6 |
| 03/01/2027 | 2024A | Serial | 3.350\% |  | 3.350\% | 415 | 150 | 520 | 670 |  | 670 |  | 1.6 |
| 09/01/2027 | 2024A | Serial | 3.350\% |  | 3.350\% | 420 | 420 | 135 | 555 |  | 555 |  | 1.3 |
| 03/01/2028 | 2024A | Serial | 3.400\% |  | 3.400\% | 425 | 100 | 360 | 460 |  | 460 |  | 1.1 |
| 09/01/2028 | 2024A | Serial | 3.400\% |  | 3.400\% | 435 | 435 | 135 | 570 |  | 570 |  | 1.3 |
| 03/01/2029 | 2024A | Serial | 3.500\% |  | 3.500\% | 445 | 125 | 725 | 850 |  | 850 |  | 1.9 |
| 09/01/2029 | 2024A | Serial | 3.500\% |  | 3.500\% | 455 |  | 445 | 445 |  | 445 | 10 | 1.0 |
| 03/01/2030 | 2024A | Serial | 3.550\% |  | 3.550\% | 465 | 100 | 310 | 410 | 125 | 535 |  | 1.2 |
| 09/01/2030 | 2024A | Serial | 3.550\% |  | 3.550\% | 475 |  | 405 | 405 |  | 405 | 70 | 0.9 |
| 03/01/2031 | 2024A | Serial | 3.600\% |  | 3.600\% | 485 |  | 110 | 110 | 200 | 310 | 175 | 0.6 |
| 09/01/2031 | 2024A | Serial | 3.600\% |  | 3.600\% | 495 |  | 40 | 40 |  | 40 | 455 | 0.1 |
| 03/01/2032 | 2024A | Serial | 3.650\% |  | 3.650\% | 510 |  | 510 | 510 |  | 510 |  | 1.0 |
| 09/01/2032 | 2024A | Serial | 3.650\% |  | 3.650\% | 520 |  | 520 | 520 |  | 520 |  | 1.0 |
| 03/01/2033 | 2024A | Serial | 3.650\% |  | 3.650\% | 530 |  |  |  | 530 | 530 |  | 1.0 |
| 09/01/2033 | 2024A | Serial | 3.700\% |  | 3.700\% | 540 | 20 | 55 | 75 | 540 | 615 |  | 1.1 |
| 03/01/2034 | 2024A | Serial | 3.700\% |  | 3.700\% | 555 |  | 170 | 170 | 555 | 725 |  | 1.3 |
| 09/01/2034 | 2024A | Serial | 3.750\% |  | 3.750\% | 565 | 20 | 105 | 125 | 565 | 690 |  | 1.2 |
| 03/01/2035 | 2024A | Serial | 3.800\% |  | 3.800\% | 575 |  | 75 | 75 | 575 | 650 |  | 1.1 |
| 09/01/2035 | 2024A | Serial | 3.850\% |  | 3.850\% | 590 |  | 10 | 10 | 590 | 600 |  | 1.0 |
| 03/01/2036 | 2024A | Serial | 3.900\% |  | 3.900\% | 605 |  |  |  | 605 | 605 |  | 1.0 |
| 09/01/2036 | 2024A | Serial | 3.950\% |  | 3.950\% | 615 | 10 | 500 | 510 | 615 | 1,125 |  | 1.8 |
| 09/01/2039 | 2024A | Term | 4.100\% |  | 4.100\% | 4,050 | 50 | 3,730 | 3,780 | 5,050 | 8,830 |  | 2.2 |
| 09/01/2044 | 2024A | Term | 4.500\% | @ \$99.60~4.530 yield | 4.500\% | 8,285 | 235 | 4,330 | 4,565 | 3,500 | 8,065 | 220 | 1.0 |
| 09/01/2049 | 2024A | Term | 4.650\% | @ \$98.50 ~4.701 yield | 4.600\% | 10,820 |  | 205 | 205 | 3,500 | 3,705 | 7,115 | 0.3 |
| 09/01/2054 | 2024A | Term | 4.700\% | @ \$98.50 ~4.743 yield | 4.650\% | 13,155 | 440 | 1,435 | 1,875 | 4,000 | 5,875 | 7,280 | 0.4 |
| 03/01/2055 | 2024A | PAC | 5.75\% / 4.00\% |  | 5.75\% / 4.00\% | 48,000 |  | 300 | 300 | 48,000 | 48,300 |  | 1.0 |
| Total: (\$000) |  |  |  |  |  | 96,000 | 2,605 | 15,920 | 18,525 | 68,950 | 87,475 | 15,635 | 0.9 |

Allotments by Order Type (\$000)

| Institutional | $\$ 113,800$ |
| :--- | ---: |
| Retail | 18,535 |
| Member | 14,420 |
| Total | $\$ 146,755$ |



Orders and Allotments by Purchaser (\$000)

| Investor | Order Type | Orders | Allotments |
| :--- | :--- | ---: | ---: |
| Whitehaven Asset Management LF | Group Net | $\$ 39,975$ | $\$ 23,795$ |
| PNC BANK, N.A. | Group Net | 20,000 | 20,000 |
| Spring Lake Asset Management | Group Net | 10,820 | 3,350 |
| Multi Bank Securities Inc. | Group Net | 7,575 | 3,755 |
| Brown Brothers | Group Net | 5,000 | 5,000 |
| Searle \& Company | Group Net | 5,000 | 5,000 |
| Edward D. Jones \& Co | Group Net | 5,000 | 4,545 |
| NUVEEN ADVISORY CORP | Group Net | 4,050 | 1,400 |
| DCM Advisors, LLC | Group Net | 4,000 | 2,535 |
| Thornburg Investment Manageme | Group Net | 3,220 | 3,220 |
| RW Baird Advisors | Group Net | 3,000 | 2,165 |
| Gulfstream Partners | Group Net | 1,835 | 1,800 |
| Northern Trust | Group Net | 1,000 |  |
| Hazoor Partners, LLC | Group Net | 1,000 | 750 |
| Franklin Municipal | Group Net | 1,000 | 1,000 |
| Boston Company | Group Net | 1,000 | 1,000 |
| Mainline West LLC | Group Net | 325 | 325 |
| RBC - Institutional Orders |  | $\$ 113,800$ | $\$ 79,640$ |
|  |  |  |  |
| RBC Capital Markets | Retail | $\$ 9,925$ | $\$ 7,895$ |
| Fidelity Capital | Retail | 4,995 | 4,350 |
| Raymond James \& Asso | Retail | 3,565 | 3,045 |
| D.A. Davidson | Retail | 50 | 50 |
| Total Retail |  | $\$ 18,535$ | $\$ 15,340$ |
|  |  |  |  |
| Raymond James \& Asso | Member | $\$ 13,000$ |  |
| D.A. Davidson | Member | 1,210 | 810 |
| Fidelity Capital | Member | 210 | 210 |
| Total Member |  | $\$ 14,420$ | $\mathbf{\$ 1 , 0 2 0}$ |
|  | $\$ 146,755$ | $\$ 96,000$ |  |
| Grand Total |  |  |  |

Grand Total
\$146,755
\$96,000

Orders by Firms (\$000)

| Underwriter | Institutional | New Mexico <br> Retail | National <br> Retail | Member | Total |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Manager <br> RBC Capital Markets | $\$ 113,800$ | $\$ 1,225$ | $\$ 8,700$ |  |  |
| Raymond James | - | 220 | 3,345 | 13,000 | 16,565 |
| Selling Group |  |  |  |  |  |
| D.A. Davidson | - | - | 50 | 1,210 | 1,260 |
| Drexel Hamilton, LLC | - | - | - | - | - |
| Fidelity Capital Markets | - | 1,170 | 3,825 | 210 | 5,205 |
| Hilltop Securities | - | - | - | - | - |
| UBS Financial Services | - | - | - | - | - |
| Total | $\$ 113,800$ | $\$ 2,615$ | $\mathbf{\$ 1 5 , 9 2 0}$ | $\mathbf{\$ 1 4 , 4 2 0}$ | $\mathbf{\$ 1 4 6 , 7 5 5}$ |

## Priority of Orders

1. New Mexico Retail
2. National Retail
3. Institutional
4. Member (for inventory)

Allotments by Order Type (\$000)

| Institutional | $\$ 53,605$ |
| :--- | ---: |
| Member | 8,000 |
| Total | $\$ 61,605$ |



Orders and Allotments by Purchaser (\$000)

| Investor | Order Type | Orders | Allotments |
| :--- | :--- | ---: | ---: |
| Spring Lake Asset Management | Group Net | $\$ 13,170$ | $\$ 9,070$ |
| Calamos Advisors | Group Net | 5,335 | 2,125 |
| Federated Mutual Insurance Company | Group Net | 4,120 | 2,700 |
| Fhn Financial Capital Markets Ftftcm | Group Net | 3,515 |  |
| Edward D. Jones \& Co | Group Net | 3,500 | 2,280 |
| New Jersey Manufacturers Group | Group Net | 3,455 | 1,000 |
| Citba Investments | Group Net | 3,000 | 875 |
| Brean Capital Llc Brean/Bmur | Group Net | 2,750 | 1,000 |
| Belle Haven Investments, L.P. | Group Net | 2,360 | 835 |
| First Bankers' Banc Securities, Inc. | Group Net | 2,015 | 200 |
| Savings Bank Life Insurance Company of M | Group Net | 2,000 | 1,320 |
| Charles Schwab Investment Management Ir | Group Net | 1,785 | 900 |
| Guyasuta Investment Advisors, Inc. | Group Net | 1,660 | 200 |
| Multi Bank Securities Inc. Multibk | Group Net | 1,580 | 155 |
| Smith Shellnut Wilson | Group Net | 1,200 | 500 |
| Williams Jones Wealth Management Llc | Group Net | 880 | 215 |
| Performance Trust | Group Net | 880 | 215 |
| Cypress Capital Partners | Group Net | 200 | 210 |
| The Moorings Group | Group Net | 150 | 150 |
| Undisclosed Account | Group Net | 50 | 50 |
| RBC Institutional Orders |  | $\$ 53,605$ | $\mathbf{\$ 2 4 , 0 0 0}$ |
|  |  |  |  |
| Raymond James \& Asso |  |  | $\$ 8,000$ |
| Total Member |  | $\mathbf{\$ 8 , 0 0 0}$ |  |
|  | $\mathbf{\$ 0 1 , 6 0 5}$ | $\mathbf{\$ 2 4 , 0 0 0}$ |  |
| Grand Total |  |  |  |

[^1]| 2024 Series B |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Par |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Amount |  |  |  |  |  | Unsold |  |
| Maturity | Series | Type | (\$000) | UST Bench | IOI Spread | Adjustment | Spread | Institutional | Balances | Subscription |
| 03/01/2025 | 2024B | Serial | 135 | 2 yr | 50 |  | 50 | \$135 | \$0 | 1.0 |
| 09/01/2025 | 2024B | Serial | 145 | 2vr | 50 |  | 50 | 145 |  | 1.0 |
| 03/01/2026 | 2024B | Serial | 150 | 2yr | 55 |  | 55 | 300 |  | 2.0 |
| 09/01/2026 | 2024B | Serial | 150 | 2 yr | 55 |  | 55 | 300 |  | 2.0 |
| 03/01/2027 | 2024B | Serial | 155 | 3 yr | 60 | 5 | 65 | - | 155 | 0.0 |
| 09/01/2027 | 2024B | Serial | 160 | 3yr | 65 |  | 65 | 210 |  | 1.3 |
| 03/01/2028 | 2024B | Serial | 170 | 5 yr | 80 | -2 | 78 | 340 |  | 2.0 |
| 09/01/2028 | 2024B | Serial | 175 | 5yr | 85 | -2 | 83 | 525 |  | 3.0 |
| 03/01/2029 | 2024B | Serial | 175 | 5yr | 90 | -3 | 87 | 525 |  | 3.0 |
| 09/01/2029 | 2024B | Serial | 180 | 5 yr | 95 | -5 | 90 | 720 |  | 4.0 |
| 03/01/2030 | 2024B | Serial | 190 | 7vr | 105 | -5 | 100 | 950 |  | 5.0 |
| 09/01/2030 | 2024B | Serial | 190 | 7yr | 110 | -5 | 105 | 1,140 |  | 6.0 |
| 03/01/2031 | 2024B | Serial | 195 | 7yr | 115 | -5 | 110 | 975 |  | 5.0 |
| 09/01/2031 | 2024B | Serial | 205 | 7 yr | 120 | -5 | 115 | 1,230 |  | 6.0 |
| 03/01/2032 | 2024B | Serial | 210 | 10 yr | 125 | -8 | 117 | 1,670 |  | 8.0 |
| 09/01/2032 | 2024B | Serial | 215 | 10 yr | 130 | -8 | 122 | 1,720 |  | 8.0 |
| 03/01/2033 | 2024B | Serial | 225 | 10 yr | 133 | -8 | 125 | 1,575 |  | 7.0 |
| 09/01/2033 | 2024B | Serial | 230 | 10yr | 135 | -8 | 127 | 1,840 |  | 8.0 |
| 09/01/2039 | 2024 B | Term | 3,455 | 10 yr | 140 | -3 | 137 | 13,010 |  | 3.8 |
| 09/01/2044 | 2024 B | Term | 4,120 | OLB | 140 |  | 140 | 6,220 |  | 1.5 |
| 09/01/2049 | 2024 B | Term | 5,750 | OLB | 150 | 5 | 155 | 3,750 | 2,000 | 0.7 |
| 09/01/2054 | 2024 B | Term | 7,420 | OLB | 160 |  | 160 | 10,420 |  | 1.4 |
| Total: (\$000) |  |  | 24,000 |  |  |  |  | 47,700 | 2,155 | 2.0 |

Orders by Firms (\$000)

| Underwriter | Institutional | New Mexico <br> Retail | National <br> Retail | Member |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |$\quad$ Total

Priority of Orders

1. Group Net
2. Member (for inventory)

## Q1 2024 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-four (54) ACTIVE PROJECTS representing:

- ~\$60.8 million in annual tax credits
- ~\$194.3 million in MFA-issued bonds
- $\quad \$ 80.6$ million in MFA loans \& grants
- Totaling \$335,709,959 in combined funding
- Consisting of 4,735 apartment units
- Located in 27 municipalities in 18 counties across the state.

Five (5) project CLOSINGs in Q1 2024:

- The Three Sisters Apartments, a 70-unit, 2022 9\% LIHTC New Construction project to be located in Las Cruces.
- Felician Villa Apartments, a 66-unit 2022 9\% LIHTC New Construction project to be located in Rio Rancho.
- 120 La Plata, a 32-unit 2022 9\% LIHTC Acquisition/Rehab project located in Albuquerque.
- 9000 Veranda, a 35-unit 2022 9\% LIHTC Acquisition/Rehab project located in Albuquerque.
- Vista de Socorro, a 32-unit 2021 9\% LIHTC New Construction project to be located in Socorro.

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

- Two projects were added, so there are now 31 projects currently under construction.
- Approximately 6 projects are expected to be completed by the end of the second quarter.
- An additional 10 projects are on track to receive approval to begin construction before the end of the second fiscal quarter.

Upcoming Ground Breakings/Ribbon-cuttings:

- PAH! Hiland Plaza, a 2021 9\% new construction project, celebrated its Grand Opening and Ribbon Cutting on October $18{ }^{\text {th }}$.
- We are not aware of any upcoming Ribbon-cuttings or Groundbreakings.

Estimated Economic Impact of the 31 projects ( 2,688 units) currently under construction:

- Approximately $\$ 314$ million in local income
- Approximately 4,301 jobs

Eventual Economic Impact of all 54 projects (4,735 units) once under construction:

- Approximately $\$ 553$ million in local income
- Approximately 7,576 jobs



| $\frac{1}{1}$ |  |  |  |  |  | $]^{\text {ramemememem }}$ |  |  |  |  | maman | Mamememeation | 隹 | $\int^{\text {and }}$ |  |  |  | matamem |  | metment |  |
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|  | ${ }^{17}$ PaAha Homes th |  | caba | comen |  | 5.159 | ${ }^{\text {¢17770 }}$ | wham | \% |  | cosme |  | ${ }^{11 / 4 / 2023}$ | (4) $412 \mathrm{zane2}$ | ${ }^{191}$ | (19) | ${ }^{\text {S7PIM0 }}$ | ${ }^{\text {w/ }}$ |  | ${ }^{\text {wh }}$ |  |
|  | 1886100 Harper |  |  | , mamemememem |  | $5{ }^{121453}$ | \%ente | вır202 |  |  | coumem |  |  | $2 z^{238023}$ | L2IR2033 | 1212Res | Ssı2] |  |  |  |  |
|  | 19 Copper Terrace |  | ${ }^{\text {aremato }}$ | Lame |  | $5^{5}$ | ${ }^{\text {cillino }}$ | 11/22/2022 | ${ }^{\circ}$ |  |  |  |  | (1) | (6) | (6) LILSER24 | S12238 |  | $\qquad$ | mmar <br> FRF | *inazana |
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|  | 217 Tre Bluft |  | ${ }^{\text {Loxamam }}$ | cemememememe | 209 | $5{ }^{12851288}$ | \%inls | WA nownem | $\cdots$ | w | smess |  | ${ }^{10}$ | (1) simus | (m) |  | \% | ${ }^{\text {Na }}$ | ${ }^{\text {wa }}$ | wh |  |
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| ${ }^{4 \%}$ | Peashrree Canyon II | Inca | ${ }^{\text {cosemam }}$ | comemememememe |  |  | ${ }^{\text {manlina }}$ | $)^{\text {m }}$ | ${ }^{14}$ | * |  | (1) ${ }^{\text {chinsa }}$ |  |  | (0) | (17) |  |  | (simamo | mint mat |  |
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|  | ${ }^{6} \mathrm{sl6} \mathrm{NM} \mathrm{Saf} 2023$ | smat | smate | comememe | ${ }^{2038}$ | $5{ }^{5123} 8$ | ${ }^{617173}$ | ${ }^{\text {nowat Loms }}$ | ${ }^{23}$ | ${ }^{*}$ | mamem | [1 | (1) | (1) 5 Smin |  | (19) | , | \% | $\cdots$ | N |  |
|  | Peachtree Canyon | ${ }^{\text {Lucsues }}$ | ${ }^{\text {amamam }}$ |  | ${ }^{203}$ | - 3 3,2039 | ${ }^{\text {amflin }}$ | (1) ${ }^{\text {¢15S2044 }}$ | ${ }^{14}$ | * | comem | (1) | (1) 21.153024 |  | (17) | (19) -1/5025 | S.Lesesp | somem | Stemome | nowe |  |
|  | Pederena Senior | uscoue | ${ }^{\text {manman}}$ |  | ${ }^{203}$ | ${ }^{\text {2,ama }}$ | msum | 2 2152024 | $\infty$ | «c | cmas | 2 238202 |  | [1] ${ }^{\text {IISSOLS }}$ | [9] | (19) - | SI2IM, | cantemed |  | nome |  |
|  | n Roque |  | masman |  | ${ }^{202}$ |  | 1 | $\underbrace{\text { m }}$ | ${ }^{13}$ |  | comem | ${ }^{10}$ (6mens | (1) 21, | (17) |  |  | [29,173 | combeme |  | $\cdots$ |  |


| $\frac{p_{1}}{4}$ | ${ }^{20}$ Sandoval Fats | nomento | manal |  |  |  |  |  | $\begin{gathered} \text { modemer } \\ 26 \\ 26 \end{gathered}$ |  | $\square$ |  |  |  |  | Certificate of <br> Occupancy/Placed in Service <br> Date <br> Actual (A) or Projected (P) <br> (P) $\quad 06 / 30 / 25$ |  | $\square$ |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Trailead at Chamizal |  | Emame | come | ${ }^{302}$ | 5 stame |  | Na mmane | ${ }^{24}$ | * | cmomem | (1) | (1) wimen |  | (1) mins ${ }^{\text {a }}$ | (19) | ${ }_{\text {Sem }}$ | cink | N/ | wA |  |
|  | Vista Mesa Villa | ${ }^{\text {cmasm }}$ | comb | cimemememe | ${ }^{202}$ | $5^{11,385322}$ |  | wh momatem | ${ }^{10}$ | " | comm | (1) H15002 | 4) 013138 | (4) ¢5/4] | 0 O21724 |  | ${ }^{\text {sin } 300}$ | S12367\% | Wn | NA |  |
|  | ${ }^{\text {a }}$ EMLI at Wells of Atresia |  |  |  |  | ${ }^{3}$ \% |  |  |  |  | cimem |  |  | (4) \%/mbs |  | " |  |  | cos | com |  |
|  | ${ }^{*}$ Casas de Encantada | nomato | momal | momet | ${ }^{2021}$ | 5 \% | \%12/21 |  | ${ }^{12}$ | ${ }^{*}$ | smas | ${ }^{101}$ |  |  |  | (8) | ŞIment | come |  |  |  |
|  | ${ }^{15}$ The $\begin{aligned} & \text { The commons at } \\ & \text { Matinetown }\end{aligned}$ | anememe | mmomb | Mamememe | ${ }^{200}$ | $5{ }^{\text {B }}$ |  | Wh | $\%$ | ${ }^{*}$ | cemem | (1) |  | (10) | [1] ถıకmes |  | \%ex | cimwed | wh | ${ }^{\text {wa }}$ |  |
|  | ${ }^{16} 5^{\text {50 Pa aseo }}$ | nomo | mmem |  | ${ }^{300}$ | 5 \% | Noman | wan | ${ }^{20}$ | ${ }^{*}$ | comem | ${ }^{14}$ ) |  | [1] 38302 | a |  | ), | amper | cisemo |  |  |
|  | ${ }^{17}$ ceid Vista | nemememe | emmo | Sosomemer | 209 | 3082ess |  | 12/Remen | ${ }^{15}$ | ${ }^{*}$ | smoss | 100\%e20 | (4) simeex | (14) S6m022 | (10) \% \%iscos | (5) $21 / 58024$ | ร5\%as | banbeme | STsmom | "MFI |  |
|  | 18 $\begin{array}{l}\text { Sandia Vista and Plaza } \\ \text { David Chavez }\end{array}$ | nomememe | amemo |  | ${ }^{2019}$ | ${ }^{5}$ Bssa |  | wh mamme | ${ }^{23}$ | " |  |  |  | , | , imime |  | ${ }_{5130030}$ | comed | ${ }^{\text {wa }}$ | wn |  |
|  |  | Stem | $\begin{gathered} \text { Valencia } \\ \text { Roosevelt } \\ \text { San Miguel } \\ \text { Eddy } \end{gathered}$ | ${ }^{\text {chemen }}$ | ${ }^{2019}$ | ${ }^{5}$ | , buat | $\underbrace{\text { N/A }}$ | ${ }^{24}$ | * | Sex | ${ }^{1 /}$ | (4) simeme | (4) ${ }^{313102022}$ |  | [4] ${ }^{\text {In/ }}$ | ${ }^{\text {sense }}$ | ${ }^{\text {stromam }}$ | Wh | ${ }^{\text {wh }}$ |  |
|  | Mountain View | tremean | ${ }^{\text {aman}}$ | ${ }^{1600}$ | ${ }^{202}$ | 5 sscme | ${ }_{\text {cineas }}$ |  | * | NA | Na | ${ }^{(1)}{ }^{\text {rom }}$ | ${ }^{\text {now }}$ | (17) | ${ }^{19}$ 1000 | ${ }^{(1)}{ }^{\text {mo }}$ | ${ }^{\text {NA }}$ | NA | ${ }^{\text {mosma }}$ | mat |  |
|  | ${ }^{\text {Las Rosasas } 1}$ | mam | \%uo | nown | ${ }^{2019}$ | -623s5 | 7ıspano | (1) | ${ }^{28}$ | ${ }^{*}$ | ${ }^{\text {N/4 }}$ | ${ }^{(10)}$ | ${ }^{(10)}{ }^{\text {nom }}$ | ${ }^{(1)}$ | ${ }^{(0)}$ | ${ }^{101}$ row | ${ }^{\text {Na }}$ | N/ | , |  |  |
| 勆 | ${ }^{\text {a }}$ Las Rosas ${ }^{\text {I }}$ | wase | Oemo | ncom | ${ }^{2019}$ | -5 3330 | \15smo | 215 Sexat | ${ }^{3}$ | ${ }^{*}$ | Na | ${ }^{19}$ | ${ }^{\text {ma }}$ nom | ${ }^{107}$-100 | ${ }^{\text {min }}$ nom | ${ }^{171}$ тov | WA | NA |  |  |  |
|  | - Sacramento Apts | coucon | \%ew | ncom | 209 | 5 samzo |  | (1) ${ }^{2155024}$ | ${ }^{0}$ | * | " ${ }^{\text {n }}$ | (17) | ${ }^{1015}$ | (17) | ${ }^{10}{ }^{\text {row }}$ | (1) ${ }^{\text {mow }}$ | Wh | Wh | $\stackrel{\text { sion }}{ }$ | mit | mix |
| \% | $2^{\text {Lamplighter Inn }}$ | mame | smare | ${ }^{16} 6$ | ${ }^{3024}$ | 58 | H1/7n |  | ${ }^{8}$ | * | cosme | (17) ${ }^{\text {OnIS }}$ |  |  | (6) SIISRas | (7) Sistans | NA | Nh | s,momo | Onamen |  |

## Staff Actions Requiring Notice to Board During the Period of January 2024

| Department and Program | Project | Action Taken | Comments / Date Approved |
| :---: | :---: | :---: | :---: |
| Housing Development Department | Ceja Vista Senior Apartments | 1) Extended the construction period from 24 months to 37 months ( $01 / 31 / 2024$ ) to accommodate project setbacks due to COVID and subcontractor default(s). | Approved by Jeff Payne on January 4, 2024 |
| Housing Development Department | Pedrena | 1) Made the following lien position adjustments to accommodate for federal HOME funds as sourced by the City of Las Cruces and the permanent lender's SWAP agreement: <br> a. NM HOME moved from second position to third position. <br> b. NHTF moved from fourth position to fifth position. <br> c. NMHTF moved from fifth position to sixth position. | Approved and by Jeff Payne on January 23, 2024 |
| Servicing Department | January 2024 Loan Write Off | One Mortgage Booster DPA loan written off in the amount of \$391.66. <br> Four First Down DPA loans written off in the amount of $\$ 27,245.19$. <br> Total loan write off due to first mortgage foreclosure equals $\$ 27,636.85$. | Approved by Teresa Lloyd, Director of Servicing and Joseph McIntyre, Controller on January 31, 2024 |
| Servicing Department | January 2024 NPL Write Off | Six First Down 30 DPA Nonperforming loans in the total amount of $\$ 40,637.35$. <br> Two Mortgage Booster DPA nonperforming loans in the amount of $\$ 6,897.52$. <br> Eight nonperforming loans written off in the amount of $\$ 47,534.87$. | Approved by Teresa Lloyd, Director of Servicing and Joseph McIntyre, Controller on January 31, 2024 |
| Community Development Department - Weatherization | NM Enery\$mart Funding Contract - Weatherization | Approval of funds disbursement. <br> PNM has provided MFA with the annual contract for funding in the amount of $\$ 881,250$. The allowable administrative cost is $\$ 150,000$ | Approved by Donna MaestasDe Vries on January 24, 2024 |

G:\Board Reports\Staff Actions\Staff Actions 2024

| Department and <br> Program | Project | Action Taken | Comments / Date Approved |
| :--- | :--- | :--- | :--- |
|  |  | $(17 \%$ of total funding). MFA will receive <br> $\$ \$ 43,750(5 \%)$ of the administrative costs and <br> the remaining $\$ 106,250(12.00 \%)$ will be <br> divided among our <br> service providers. Total program Operations for <br> the service providers is $\$ 731,250$. |  |
|  |  |  |  |

## QUARTERLY INVESTMENT REPORT 12/31/2023 - EXECUTIVE SUMMARY

1. MFA made no liquidations from the State Investment Council (SIC) portfolio in the first quarter of FY 2024. As of June $27^{\text {th }}$, 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. Since the beginning of FY 2024, one bond in MFA's bond ladder has matured. Staff reinvested funds by purchasing a new security on December $19^{\text {th }}$ with a YTM of $4.342 \%$. The bond ladder has underperformed its benchmark; the expectation is to re-invest at higher rates over the next few quarters.
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. Yields in our fixed-income portfolios of MBS have remained unchanged.
4. The SIC (State Investment Council) portfolio has slightly unperformed relative to its benchmarks in the first quarter of FY 2024. As of December 31, 2023, it is yielding $7.83 \%$ for the quarter. The leading performer in this quarter was the small/mid cap fund, returning $13.77 \%$, followed by US large cap equities (11.30\%).
5. The Housing Trust Fund State Investment Council portfolio, which is $100 \%$ invested in a core bond fund, has experienced a rate of return of $6.01 \%$.
6. As of the first quarter of FY 2024 , interest income is $33 \%$ of the total annual budgeted interest income, driven by macroeconomic tail winds.
7. As of December 31, 2023, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

| Asset Class | $12 / 31 / 23$ <br> Balance | Yield/Rate of <br> Return | Benchmark <br> Rate of <br> Return |
| :--- | ---: | ---: | :---: |
| Cash Held for Operations/Warehoused MBS | $\$ 6,934,024$ | Various | $\mathrm{n} / \mathrm{a}$ |
| Local Government Investment Pool | $\$ 12,365,102$ | $5.35 \%$ | $\mathrm{n} / \mathrm{a}$ |
| Bond Ladder | $\$ 14,964,110$ | $2.83 \%$ | $3.93 \%$ |
| MFA's Mortgage-Backed Securities-Intermediate Term | $\$ 11,428,805$ | $4.67 \%$ | $\mathrm{n} / \mathrm{a}$ |
| MFA's Mortgage-Backed Securities-Long Term | $\$ 12,876,051$ | $2.82 \%$ | $\mathrm{n} / \mathrm{a}$ |
| Core Plus Bond Fund-Active (SIC) | $\$ 13,440,537$ | $6.20 \%$ | $6.82 \%$ |
| Large Cap Index Equity Fund (SIC) | $\$ 4,951,166$ | $11.30 \%$ | $11.95 \%$ |
| Small/Mid Cap Fund (SIC) | $\$ 591,834$ | $13.77 \%$ | $13.34 \%$ |
| Non-US Developed Markets Fund (SIC) | $\$ 711,485$ | $9.84 \%$ | $10.45 \%$ |
| Non-US Emerging Markets Fund (SIC) | $\$ 1,015,963$ | $8.14 \%$ | $7.88 \%$ |

## Housing Trust Fund:

| Asset Class | $12 / 31 / 23$ <br> Balance | Yield/Rate of <br> Return | Benchmark Rate of <br> Return |
| :---: | :---: | :---: | :---: |
| Core Plus Bond Fund-Active (SIC) | $\$ 8,775,039$ | $6.01 \%$ | $6.82 \%$ |

Housing New Mexico
ASSET CLASS

Short-Term Investments (Less than 1 year)
Cash Held for Operations/Warehoused MBS*
Local Government Investment Pool
Intermediate-Term Investments (1 to 10 years)
Bond Ladder
Intermediate MFA Mortgage Backed Security Portfolio
Long-Term Investments (More than $\mathbf{1 0}$ years)
Long-Term MFA Mortgage Backed Security Portfolio
Core Plus Bond Funds-Active (SIC)
Domestic Large Cap Index Equity Fund (SIC)
Small/Mid Cap Fund (SIC)
Non-US Developed Markets Fund (SIC)
Non-US Emerging Markets Fund (SIC)

| Policy Requirement Target | Policy Requirement Range |  | Current <br> Portfolio <br> Carrying <br> Value | Portfolio Weighting by Investment Horizon | Portfolio Weighting by Asset Class | Within Limit Range |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 20\% | 15\%-25\% | \$ | 19,299,126 | 24\% |  | Yes |
| 14\% | 9\%-19\% | \$ | 6,934,024 |  | 9\% | Yes |
| 6\% | 1\%-11\% | \$ | 12,365,102 |  | 16\% | No |
| 40\% | 35\%-45\% | \$ | 26,392,915 | 33\% |  | No |
| 27\% | 22\%-32\% | \$ | 14,964,110 |  | 19\% | No |
| 13\% | 8\%-18\% | \$ | 11,428,805 |  | 14\% | Yes |
| 40\% | 35\%-45\% | \$ | 33,587,036 | 42\% |  | Yes |
| 4\% | 0\%-9\% | \$ | 12,876,051 |  | 16\% | No |
| 12\% | 7\%-17\% | \$ | 13,440,537 |  | 17\% | Yes |
| 11\% | 6\%-16\% | \$ | 4,951,166 |  | 6\% | Yes |
| 5\% | 0\%-10\% | \$ | 591,834 |  | 1\% | Yes |
| 6\% | 1\%-11\% | \$ | 711,485 |  | 1\% | Yes |
| 2\% | 0\%-7\% | \$ | 1,015,963 |  | 1\% | Yes |
|  |  | \$ | 79,279,077 |  | 100.00\% |  |

Year over year, MFA's investments are yielding a higher return than they did during the first quarter of FY 23.

MFA continued to work on rebalancing the investment portfolio to meet policy requirement targets; while progress was made, some targets still lag and MFA is actively working with our investment advisor to resolve this.

One bond was purchased into the IntermediateTerm Bond Ladder, on December 19th.
*Does not include capital borrowed for loan operations or restricted funds.


## SIC FUND ALLOCATION

|  | Policy | Actual |
| :--- | :---: | :---: |
|  |  |  |
| SIC Core Plus Bond-Active | $33 \%$ | $65 \%$ |
| SIC Large Cap Index Equity | $31 \%$ | $24 \%$ |
| Small/Mid Cap Index | $14 \%$ | $3 \%$ |
| Non-US Developed Markets | $17 \%$ | $3 \%$ |
| Non-US Emerging Markets | $6 \%$ | $5 \%$ |

[^2]
*Does not include capital borrowed for loan operations or restricted funds.
**Weighted average maturity.


General Fund Long Term
MFA's Mortgage Backed Securities Portfolio
State Investment Council (SIC)
Core Plus Bond Fund-Active
Domestic Large Cap Index Equity Fund Small/Mid Cap Fund
Non-US Developed Markets Fund Non-US Emerging Markets Fund
Total State Investment Counsel

## Total Long-Term Investments

*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.


[^3]

*FY 24 represents those returns from 10/1/2023-12/31/2023 and are thus subject to change.


## Asset Class

Cash Held for Operations/Warehoused MBS Local Government Investment Pool
Bond Ladder
Fannie Mae
Federal Farm Credit Bank
Federal Home Loan Bank
Freddie Mac
MFA Mortgage Backed Security Portfolio Intermediate Term
Long-Term
State Investment Counci
Core Plus Bond Fund-Active
Large Cap Index Equity Fund
small/Mid Cap Fund
Non-US Developed Markets Fund
Non-US Emerging Markets Fund

| S\&P |
| :---: |
| Rating |

## Moody's

$\qquad$ Rating

Aaa/Stable Aaa/Stable Aaa/Stable Aaa/Stable Aa3/Stable Aa3/Stable Aa3/Stable
GENERAL FUND INVESTMENT PORTFOLIO - METRICS


State Investment Council
Core Plus Bond Fund-Active
Large Cap Index Equity Fund
Small/Mid Cap Fund
Non-US Developed Markets Fund
Non-US Emerging Markets Fund
Cash Held for Operations/Warehoused MBS Local Government Investment Pool Bond Ladder

MFA Mortgage Backed Security Portfolio Intermediate Term
Long-Term
Housing Trust Fund
Core Plus Bond Fund-Active

|  | Budget <br> Annual <br> Interest <br> Income | Actual <br> Annual <br> Interest <br> Income (YTD/Quarter 1) |  | Interest <br> Income <br> Earned of Total Budget (YTD/Quarter 1) |
| :---: | :---: | :---: | :---: | :---: |
|  | FY2024 |  | /2023 | 12/31/2023 |
| \$ | 778,086 | \$ | 246,996 | 32\% |
| \$ | 261,066 | \$ | 91,520 | 35\% |
| \$ | 99,100 | \$ | 60,926 | 61\% |
| \$ | 893,975 | \$ | 194,791 | 22\% |
| \$ | 353,452 | \$ | 198,459 | 56\% |
| \$ | 2,385,679 | \$ | 792,693 | 33\% |

$\$ 353,452 \quad \$ \quad 198,459 \quad 56 \%$


ICE BofA 1-3 Year US Agency Index (Daily avg. 2-year return)
$1 \%$ or more under benchmark
In line with Benchmark
$1 \%$ or more above benchmark

## Economic Indicators



## 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 1,626 homebuyers.
Q1 On Target | MFA financed 672 homebuyers in Q1 of FY 2024 and 672 homebuyers YTD.
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.

Benchmark: 3
Benchmark: Finance the development and/or preservation of 900 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.

Benchmark: 4

+ 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\%)
1 Benchmark: 5

- 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
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.

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

Goal 2 - Build a network of advocates and partners that work to create and promote affordable housing in the state
Benchmark: 8
Benchmark: Achieve an average of 8,400 social media engagements across all platforms.
Q1 On Target | Q1 3,508 social media engagements.Benchmark: 9
Benchmark: Expand services of at least three programs to an underserved area of the state.
Q1 On Target |

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

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.

Q1
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.

P+P PSFA, TDS, Los Alamos County Boards and Commissions, NMCEH, Mora County Housing Placemaking Work Group/Committee, Rep. Dixon Housing Town Hall. YTD: 21

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. YTD: 30

Benchmark: 12
Benchmark: Plan and execute MFA housing summit, open house, or networking event.
Q1 New | Selected venue for 2025 Housing Summit.

## 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.

Benchmark: 14
Benchmark: Maintain or improve credit rating.
Q1 On Target | MFA maintains a Aa3 rating on its issuer credit rating.
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 On Target | Operating performance and profitability as of $12 / 31 / 2023$ is $8.58 \%$.
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 On Target | Balance sheet strength as of $12 / 31 / 2023$ is $23.81 \%$.
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 $0.18 \%$.


Benchmark: 18
Benchmark: Realize profitability of $0.5 \%$ on TBA executions.

On Target |
Q1 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 $0.91 \%$

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\%
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.
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.
Benchmark: 22

B
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 $12 / 31 / 2023$

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.
1 Benchmark: 24
Benchmark: Increase funding by at least one new source.
Q1 Met | City of Albuquerque for the Landlord Engagement Program (\$303,335.00)
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

## Goal 4 - Provide robust technological solutions

1. Benchmark: 26


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

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.

Q1 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.

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.

## 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.

Benchmark: 30
Benchmark: Plan and execute move to 7425 Jefferson St. NE.
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.

Benchmark: 31
Benchmark: Complete compensation study.

| As of: |  | 2/6 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| New Mexico Housing Trust Fund Dashboard |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Certified Uses | Certified Use Allocation |  | Certified Use Procurement Totals |  | Certified Use Award Totals |  | Certfied UseExpenditures thru$1 / 31 / 24$ |  | Activity <br> HomeForward DPA | Activity Allocation |  | Activity Procurement |  | Activity Award Totals |  | Activity Expenditures thru 1/31/24 |  |
| Down payment assistance (DPA) <br> (DPA) | \$ | 8,500,000.00 | \$ | 8,500,00.00 | \$ | 8,500,000.00 | \$ | 241,046.75 |  | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ | 2,000,000.00 |  | \$ 241,046.75 |
|  |  |  |  |  |  |  |  |  | FirstDown Plus | \$ | 6,500,000.00 | \$ | 6,500,000.00 | \$ | 6,500,000.00 |  |  |
| First mortgage; affordable homeownership loan purchase | \$ | 3,400,000.00 | \$ | - | \$ |  | \$ | - | 40 YLM | \$ | 3,400,000.00 | \$ | - | \$ |  | \$ |  |
| Single family emergency repairs, accessibility, energy efficiency improvements andrehabilitation rehabilitation | \$ | 1,500,000.00 | \$ | 1,500,000.00 | \$ | 1,500,000.00 |  | \$ 427,53.69 | Housing Improvement Program (HIP) | \$ | 1,000,00.00 | \$ | 1,000,000.00 | \$ | 1,000,000.00 | \$ | 271,262.79 |
|  |  |  |  |  |  |  |  |  | Weatherization | \$ | 500,000.00 | \$ | 500,000.00 | \$ | 500,000.00 | \$ | 156,290.90 |
| Single family acquisition and rehabilitation | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ |  | Restoring Our Communities (ROC) | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ | - |
| Rental and single-family development | \$ | 22,130,000.00 | \$ 22,130,000.00 |  |  | \$ 8,762,498.00 | \$ | 5 500,000.00 | Gap Financing Loans Preservation Loans | \$ | $\begin{array}{r} 8,630,000.00 \\ 2,500,000.00 \end{array}$ | \$ | $\begin{array}{r} 8,630,000.00 \\ 2,500,000.00 \end{array}$ | \$ | 7,500,000.00 | \$ | 500,000.00 |
|  |  |  |  |  | Primero Loans |  |  |  | \$ | 3,000,000.00 | \$ | 3,000,000.00 | \$ | - | \$ | - |  |
|  |  |  |  |  | Single Family Development Pilot Program |  |  |  | \$ | 3,000,000.00 | \$ | 3,000,000.00 | \$ | - | s | . |  |
|  |  |  |  |  | Housing Innovation |  |  |  | \$ | 5,000,000.00 | \$ | 5,000,000.00 | \$ | 1,262,498.00 | \$ | - |  |
| $\begin{aligned} & \text { Total State Fiscal Year } 2024 \text {; } \\ & \text { Funds } \end{aligned}$ | \$ | 37,530,000.00 | \$ | 34,130,000.00 |  | \$ | 20,762,498.00 | \$ | 1,168,600.4 |  | \$ | 37,530,000.00 | \$ | 34,130,000.00 | \$ | 20,762,498.00 | \$ | 1,168,600.44 |

## $\$ 37,530,000.00$ is the total State Fiscal Year (SFY) 2024 NMHTF Severance Tax Bond earmark allocation $91 \%$ of the total SFY24 allocation has been procured. <br> $55 \%$ of the total SFY24 allocation has been awarded. <br> $3 \%$ of awarded funds has been expended.

1. Staff is presenting an Allocation Amendment Recommendation for the SFY 2024 NMHTF Severance Tax Bond earmark allocation.
2. The Housing Innovation Team will be presenting an award recommendation for Sawmill Community Land Trust for $\$ 262,498$. See Page 10 for award recommendation detail.

Down Payment Assistance

| Certified Use | Certified Use Amount | Activity Allocation | Activity Allocation Amount | Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board |  | Procurement <br> Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval |  | ward Amount |  | Running Activity Award Total |  | ing Activity rded Balance |  | $\begin{aligned} & \text { Award } \\ & \text { Expenditures } \end{aligned}$ | Total Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Down payment assistance | \$ 8,500,000 | HomeForward DPA | \$ 2,000,000.00 | HomeForward DPA Program Guidelines | \$ | 2,000,000.00 | 1/18/2023 | HomeForward DPA | 9/14/23 | PC | \$ | 2,000,000.00 | \$ | 2,000,000.00 | \$ | 6,500,000.00 | \$ | 241,046.75 | \$ 241,046.75 |
|  |  | FirstDown Plus | \$ 6,500,000.00 | FirstDown Plus Program Guidelines | \$ | 6,500,000.00 | 11/15/2023 | FirstDown Plus | 2/6/24 | PC | \$ | 6,500,000.00 | \$ | 8,500,000.00 | \$ | - | \$ | - |  |
|  |  |  |  |  |  |  |  |  |  | Total | \$ | 8,500,000.00 |  |  | \$ | - |  |  |  |

Housing Improvement Program


## Weatherization

| Certified Use | Certified Use Amount | Activity Allocation | $\begin{aligned} & \text { Activity } \\ & \text { Allocation } \\ & \text { Amount } \end{aligned}$ | Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval | Award Amount | Running Activity Award Total | Running Activity Unawarded Balance | $\begin{gathered} \begin{array}{c} \text { Award } \\ \text { Expenditures } \end{array} \end{gathered}$ | $\begin{gathered} \text { Total } \\ \text { Expenditures } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation | \$ 1,500,000.00 | Weatherization | \$ 500,000.00 | $\begin{gathered} \text { Weatherization } \\ \text { NOFA } \end{gathered}$ | \$ 500,000.00 | 8/16/2023 | Central New Mexico Housing Corporation | 11/15/2023 | Board of Directors | \$ 350,000.00 | \$ 350,000.00 | \$ 150,00.00 | \$ 112,124.39 |  |
|  |  |  |  |  |  |  | Southwest Regional Housing and Community Development | 11/15/2023 | Board of Directors | \$ 150,000.00 | \$ 500,000.00 | \$ | \$ 44,166.51 | \$ 156,290.90 |
|  |  |  |  |  |  |  |  |  | Total | \$ 500,000.00 |  | \$ . |  |  |

Restoring Our Communities

| Certified Use | Certified Use Amount | Activity <br> Allocation | Activity Allocation Amount | Procurement <br> (NOFAS, RFPS, <br> Program <br> Guidelines) <br> Previously <br> Approved by <br> Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval | Award Amount | Running Activity | Running Activity Unawarded Balance | Award Expenditures | $\begin{gathered} \text { Total } \\ \text { Expenditures } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Single family acquisition and rehabilitation | \$ 2,000,000.00 | Roc | \$ 2,000,000.00 | NOFA | \$ 2,000,000.00 | 4/19/2023 | North Central NM Economic Development Divison | Dec-23 | Board of Directors |  |  | \$ 2,000,000.00 |  | \$ |
|  |  |  |  | $\begin{aligned} & \text { Updated } \\ & \text { Guidelines to } \\ & \text { NOFA } \end{aligned}$ |  | 12/13/2023 | Homewise Inc. | Dec-23 | Board of Directors | \$ - | \$ - | \$ 2,000,000.00 |  |  |
|  |  |  |  |  |  |  | Sawmill Trust | Dec-23 | Board of Directors | \$ | \$ | \$ 2,000,000.00 |  |  |
|  |  |  |  |  |  |  | ROC Activity Draw down allocation |  | PC | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ - |  |  |
|  |  |  |  |  |  |  |  |  | Total | \$ 2,000,000.00 |  | \$ |  |  |

Gap Financing


## Preservation Loan Program

| Certified Use | Certified Use Amount | Activity Allocation |  | Activity Allocation Amount | Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval | Award Amount | Running Activity Award Total | Running Activity Unawarded Balance | Award Expenditures | Total Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rental and singlefamily development | \$ 22,130,000.00 | Preservation Loan | \$ | 2,500,000.00 | NOFA | \$ 2,500,000.00 | 3/1/2023 | - | - | - | \$ | \$ | \$ 2,500,000.00 |  | \$ - |
|  |  |  |  |  |  |  |  |  |  | Total | \$ |  | \$ 2,500,000.00 |  |  |

SF Primero

| Certified Use | Certified Use Amount | Activity Allocation | Activity Allocation Amount | Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approva | Award Amount | Running Activity Award Total | Running Activity Unawarded Balance | Award Expenditures | Total Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rental and single-family development | \$ 22,130,000.00 | Primero loan <br> (SF) | \$ 3,000,000.00 | NOFA | \$ 3,000,000.00 | 9/20/2023 |  |  |  | \$ | \$ | \$ 3,000,000.00 |  |  |
|  |  |  |  |  |  |  |  |  | Total | \$ |  | \$ 3,000,000.00 |  |  |

## Single Family Development Pilot Program

| Certified Use | Certified Use Amount | Activity Allocation | Activity Allocation Amount | Procurement (NOFAS, <br> RFPS, Program Guidelines) Previously Approved by Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval | Award Amount | Running Activity Award Total | Running Activity Unawarded Balance | Award Expenditures | Total Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rental and singlefamily development | \$ 22,130,000 | Single Family Development Grant Pilot Program | \$ 3,000,000.00 | Single Family Development Grant Pilot Program NOFA | \$ 3,000,000.00 | 10/18/2023 |  |  |  | \$ | \$ | \$ 3,000,000.00 |  |  |
|  |  |  |  |  |  |  |  |  | Total | \$ |  | \$ 3,000,000.00 |  |  |

Housing Innovation

| Certified Use | Certified Use Amount | Activity Allocation | Activity Allocation Amount | Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board | Procurement Amount | Procurement Approval Date | Grantee | Date of Approval | Level of Approval |  | ward Amount | Running Activity Award Total | Running Activity Unawarded Balance | Award Expenditure | Total Expenditures |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rental and single family development | \$ 22,130,000.00 | Housing Innovation | \$ 5,000,000.00 | NOFA | \$ 5,000,000.00 | 9/20/2023 | Town of Silver City | 12/13/2023 | Board of Directors | \$ | 500,000.00 | \$ 500,000.00 | \$ 4,500,000.00 |  |  |
|  |  |  |  |  |  |  | NM Ramp Project | 12/13/2023 | Board of Directors | \$ | 500,000.00 | \$ 1,000,000.00 | \$ 4,000,000.00 |  |  |
|  |  |  |  |  |  |  | Sawmill CLT | 2/21/2024 | Board of Directors | \$ | 262,498.00 | \$ 1,262,498.00 | \$ 3,737,502.00 |  |  |
|  |  |  |  |  |  |  |  |  | Total | \$ | 1,262,498.00 |  | \$ 3,737,502.00 |  |  |



New Mexico Mortgage Finance Authority Marketing \& Communications Monthly Report

January 1-31, 2024

## Press Releases

January 8
New Mexico Mortgage Finance Authority Board of Directors approves three service providers for Restoring Our Communities program https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-board-of-directors-approves-three-service-providers-for-restoring-our-communities-program

January 11
New Mexico Mortgage Finance Authority allocates \$5.5 million from New Mexico Housing Trust Fund for new FirstDown Plus down payment assistance loan program https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-allocates-5.5-million-from-new-mexico-housing-trust-fund-for-new-firstdown-plus-down-payment-assistance-loan-program

## January 16

New Mexico Mortgage Finance Authority to offer home rehabilitation services in eight counties through its new Home Improvement Program
https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-to-offer-home-rehabilitation-services-in-eight-counties-through-its-new-home-improvement-program

January 30
New Mexico Mortgage Finance Authority Board of Directors approves Housing Innovation Program funding awards to New Mexico Ramp Project and Town of Silver City https://housingnm.org/about-mfa/news/new-mexico-mortgage-finance-authority-board-of-directors-approves-housing-innovation-program-funding-awards-to-new-mexico-ramp-project-and-town-of-silver-city

## News Coverage from Press Releases \& Other Mentions:

### 1.1.24-1.31.24 Media Mentions Report

Mention Analytics $\longrightarrow$



Publication Date: 01/07/2024 Page Number: 001
Title: CYFD needs to be separated from governor's Cabinet
Author:
Size : 53 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Mortgage Finance Authority

## MY VIEW JERRY ORTIZ Y PINO

## CYFD needs to be separated from governor's Cabinet



Ihave filed a constitutional amendment that proposes to move the Children, Youth and Families Department from the governor's Cabinet and place it under a new, three-person independent commission, much as the Public Regulation Commission or Morgage Finamee Aurhority operate currently.
This action was taken after the interim Legislative Health and Human

Services Committee, which I chaired in 2023, held hearings on CYFD in Albuquerque in August and in Ruidoso in September. It is from a suggestion advanced by Alvin Sallee, retired head of the social work department at New Mexico State University and a recognized child welfare expert.
I want to be clear that this amendment is in no way intended as a criticism of the current secretary or of
the governor, but is an honest attempt at dealing with what I believe are the most basic problems the department faces: its public image and the low staff morale that has developed. Until those problems are resolved, I think the department will be spinning its wheels, no matter how hard the engine revs.

These two problems have created between them a downward spiral in which recruiting professionals to work
there is difficult because of the reputation CYFD now has, and the reputation of CYFD drops ever-lower because of the lack of a professional staff. Only a serious rethinking of accountability and transparency at CYFD is capable of pulling the department out of this tailspin.

The CYFD Commission my amend-

# CYFD needs to be separated from governor's Cabinet 

Continued from Page B-I


#### Abstract

ment proposes would be made up of professionals from fields associated with child and family development: child psychiatry: pediatrics or pediatric nursing; counseling, social work; family law; child development; or psychology. They would have to have broad experience in working with services designed to prevent or respond to child abuse or neglect. The governor would name one, the speaker of the House one and the president protem of the Senate one. They would serve for staggered six-year terms, and there would be no term limits.


Their responsibility would be twofold:
first, to hire a professional in the field as executive director for the department who would manage the day-to-day operations and who would be insulated from political pressure; second, to hold monthly public commission meetings, with press present and the public able to attend in person or remotely. All policy decisions for the department would be made by the commission at these meetings - in the open, with frank discussion and no secret votes.
If the amendment is acted on positively by the 2024 Legislature, it will appear on the ballot in November for the voters' action. If it is passed then, the 2025 Legislature will have to pass implementing
legislation dealing with details of the transition.

The timeline I propose would have the change completed, with commission in place and an executive director hired, by Jan. 1, 2027, which corresponds with the transition to a new gubernatorial

Title: CYFD needs to be separated from governor's Cabinet
Author:
Size : 53 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Mortgage Finance Authority


#### Abstract

administration. I know many of my colleagues in the Legislature are proposing other solutions. I will listen to them carefully. But unless they offer an avenue to restoring the public's confidence in the department and making it an attractive place for professionals to work and feel fully supported, 1 don't think they will help. I believe the commission approach will do both of those, while increasing transparency and public accountability, and to the greatest extent possible. reducing politicization.

State Sen. Jerry Ortiz y Pino represents District 12 in Bernalillo County.


Publication Date: 01/09/2024 Page Number: 008
Title: MFA board taps providers to clean up vacant, abandoned homes
Author: JOURNAL BUSINESS EDITOR BY RYAN BOETEL
Size : 46 Inches Sq Albuquerque,NM Circulation: 102148
Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

# MFA board taps providers to clean up vacant, abandoned homes 

## BYRYANBOETEL

JOURNAL BUSINESSEDITOR
Vacant and abandoned homes throughout New Mexico could be getting facelifts.

The New Mexico Mortgage Finance Authority Board of Directors last month tapped three providers for a Restoring Our Communities program, which aims to restore and resale vacant and abandoned homes.

North Central New Mexico Economic Development District, Homewise Inc. and Sawmill Community Land Trust were the three entities approved to receive ROC funding.
There are about 12,000 homes throughout the state that were vacant during a 2022 MFA study published late in the year.

Abandoned homes can decrease property values in an area.

Bernalillo, Doña Ana, Sandoval and Lincoln counties had the highest amount of vacant homes in the state, according to the MFA.
"We are confident these three experienced partners will provide quality work toward the program's goal of creating affordable housing in New Mexico," Donna Maestas-De Vries, the MFA's chief housing officer, said in a statement. "The rehabilitation of vacant and abandoned houses will also help improve and strengthen our communities."
The ROC program provides funding for the acquisition, rehabilitation and resale of single-family properties that are vacant or abandoned. Last year, the MFA allocated $\$ 4$ million for the program, which has a goal of increasing home ownership opportunities for low- to middle-income households.
The Notice of Funding Availability will remain open as long as funds are available, with awards granted to service providers on a first-come, first-serve basis, according to the MFA.


Before and after photo of the New Mexico Mortgage Finance Authority Restoring our Communities program.

Eligible applicants include public and private non-profit organizations, governmental housing agencies, regional and public housing authorities, tirbal governments, builders and developers and other organizations.

Anyone seeking more information about the program can contact the program manager, Theresa Laredo-Garcia at 505-767-2244 or go to housingnm.org.

RyanBoetel is the business editor for the Albuquerque Joumal. He can be reached at 505-823-3960 or rboetel@abqjournal.com.

## City

ABQ

## New program restores vacant houses into affordable housing

A Mortgage Finance Authority program launched late last year is focused on restoring vacant and abandoned houses across the state.


A trash dumpster sits in the parking lot of a low income housing property Monday January 8th, 2024 near the intersection of Bell Ave. and G st. SE Photo by Roberto E. Rosales/The City Desk.

A program aimed at turning vacant and abandoned houses across the state into livable and affordable housing has taken its next steps. The New Mexico Mortgage Finance Authority (MFA) board said it approved three service providers for its "Restoring Our Communities" (ROC) program at a December 2023 meeting. The MFA made the announcement in a Jan. 8 news release. The ROC program launched in September 2023.

The MFA said 12,000 homes in New Mexico were vacant and abandoned at the time it published its "comprehensive statewide housing strategy" in late 2022. Bernalillo, Doña Ana, Lincoln and Sandoval counties had the highest number of vacant and abandoned homes at the time of the report.
"These organizations will work to align with ROC's objectives to reduce vacant and abandoned houses that decrease property values in communities and provide affordable housing to low-to-middle income homebuyers," the release said.

The ROC program also offers down payment and closing cost assistance for qualified homebuyers.

The approved providers include the North Central New Mexico Economic Development District, an association of government entities that work on community and economic development initiatives; and the nonprofits Homewise Inc. and Sawmill Community Land Trust, which both work on affordable housing projects.

The MFA said the ROC program is currently funded at $\$ 4$ million, drawn from its New Mexico Housing Trust Fund. The release said a "notice of funding availability" will stay open while funds are available, with awards granted to service providers on a first-come, first-serve basis for qualifying projects. Eligible applicants for the funding include public and private nonprofits, governmental housing agencies, regional and public housing authorities, tribal governments, tribal housing agencies, developers, builders and other corporations.

The MFA is a quasi-governmental entity that provides financing for affordable housing and other related services to low and moderate income New Mexicans. For more on the ROC program, go to housingnm.org or contact MFA program development manager Theresa Laredo-Garcia at tgarcia@housingnm.org or (505) 7672244.

## Katherine Clarke

January 11, 2024 at 6:10 pm

This seems like a really good idea

Loading...

## Jim Loconto

January 11, 2024 at 6:30 pm

Great article

Loading...

## Comments are closed.

# BernCo leaders detail legislative requests for 2024 

Sights set on affordable housing. behavioral health, public safety

## BY CATHY COOK

JOURINALSTAFFWRITER
Bernalillo County Commissioners announced their six legislative priorities earlier this week, with a focus on money for behavioral health, affordable housing and public safety,

The county commissioners are asking the state Legislature for $\$ 40$ million to support statewide homelessness initiatives, $\$ 250$ million for nonrecurring general fund money for the New Mexico Mortgage Finance Authority Trust Fund and $\$ 250$ million in nonrecurring general funds for the Mortgage Finance Authority's Opportunity Enterprise Fund.
Gov. Michelle Lujan Grisham's budget includes the same recommendations.
The commissioners also are
 requesting $\$ 10$ million for the Middle Rio Grande Housing Collaborative, a Bernalillo County and city of Albuquerque project to build more affordable housing.
Both entities are asking for $\$ 10$ million to support it, Commission Chair Barbara Baca said. Funding for affordable housing is the county's top legislative priority.
"What we really want to do is work together with the state, the city and the county to create more housing opportunities, and we also support housing opportunities statewide, too," Baca said. "So that's how we dovetail with what the governor and the MFA are proposing, too."
The commissioners also want the Legislature to incentivize the recruitment of licensed social workers, crisis clinicians and peer support workers and have asked for the establishment of a statewide

Title: BernCo leaders detail legislative requests for 2024
Author: BY CATHY COOK JOURNAL STAFF WRITER
Size : 45 Inches Sq Albuquerque,NM Circulation: 102148
Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

## LEGISLATURE >>

From PAGEA3
Medicaid third-party billing and training center for small providers.
"Behavioral health has long been significant for the county, and we continue to make headway but are in desperate need of more trained personnel in the key areas of recovery and treatment," Commissioner Adriann Barboa said in a statement. The commissioners are asking for $\$ 3$ million to supporta statewide fentanyl education
and awareness campaign and the KeepNMAlive website.

They also support redirecting part of the liquor excise tax from the general fund to line items focused on addiction treatment and behavioral health initiatives.
The commissioners also are requesting $\$ 750.000$ in recurring funds for the maintenance of the Bernalillo County Sheriff's Office helicopter.
"(Sheriff John Allen) emphasizes that it serves all jurisdictions statewide in emergency situations, and so that's why he's placed that as his top priority," Baca said.

[^4]

Adriann Barboa

# A state affordable housing office is long overdue 



Gov. Michelle Lujan Grisham is fixing to go after the state's housing crisis. She needs the New Mexico Legislature to pony up and fund her good ideas. Her first good idea started in May when she created the Housing Investment Council, making former House Speaker Brian Egolf its chairman. The mandate was to get something ready for the upcoming 30 -day session.

The large group had some heavyweight politicians but also a diverse statewide representation. Besides Egolf, key appointees included Daniel Werwath, the executive director of New Mexico Inter-Faith Housing Corp.; Laura Long, chairwoman of the Santa Fe Area Home Builders Association's government and political affairs committee; and Randy Traynor, a longtime lobbyist for the New Mexico Home Builders Association.

Werwath has in-the-weeds expertise, and state Sen. Michael Padilla, D-Albuquerque, and an appointee to the State Investment Council, was obviously paying attention. This past week, he filed a bill to create an "Office of Affordable Housing" under the state Department of Finance and Administration.
It's a doozy. The office would have a director reporting to the Governor's Office. Its first task is creating a state housing plan by July 1 . The bill stipulates what details should be in the plan and directs the office to work with local and tribal governments.

That's a lot of work in a short time, though presumably if the new housing office director was a member of the investment council, they may have a running start. The bill

Title: A state affordable housing office is long overdue
Author: Kim Shanahan Building Santa Fe
Size : 53 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority
also allows for the office, subject to appropriations, to hire technical and clerical assistants to collate mountains of data the office would receive from the field.
The office then is expected to execute the plan by offering expertise, guidance and incentives to local and tribal housing offices. If provisions in the governor's budget come through, it also will help determine disbursement of $\$ 250$ million in new money for housing.
The governor is asking for $\$ 500$ million for housing - $\$ 250$ million for the state's existing housing trust fund overseen by the New Mexico Morteage Finance Authotity and the new $\$ 250$ million to establish the Opportunity

Please see srary on Page E-2

## Long overdue

## Continued from Page E-I

Enterprise Revolving Fund under the state
Department of Finance and Administration.
Unlike much of the money administered under the mortgage authority, which often goes out as grants, the revolving fund expects to see its money come back. What's its highest and best use? Low-interest infrastructure loans for new homeownership subdivisions built by local for-profit builders who are unable to qualify for infrastructure loans.

The mumber - $\$ 250$ miltion - sounds big, and it is, but it could go out quickly with no returns coming back for years. The infrastructure for 1,000 single-family lots, about what the final phase of Tierra Contenta anticipates, will be well north of $\$ 50$ million. That does not include $\$ 20$ million
necessary for spine infrastructure and the loop connection of two legs of Paseo del Sol.

Tierra Contenta originally had many small tracts - too small for publicly traded mega-builders but ideal for local builders. Banks are happy to lend $\$ 2$ million for 30 to 40 lots of infrastructure to any local builders who can put $\$ 2$ million on deposit with them. That means almost nobody.
A state revolving fund is exactly what is needed. Local builders mean local jobs, local taxes and local custom quality: Go ahead and attach strings for affordability and super-green homes. As hot as our market is now and will be for the foreseeable future, the revolving fund will easily get paid back upon sale of each new home.
These ideas are 15 years overdue. Get it done this session.

Contact Kim Shanahan at kimboshanahan@gmail. com.

Publication Date: 01/14/2024 Page Number: 006
Title: Lawmakers will try to build up affordable housing
Author: By Robert Nott and Nicholas Gilmore
Size : 86 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Housing Trust Fund $\sim$ Mortgage Finance Authority $\sim$ New Mexico Housing Trust Fund $\sim$ New Mexi

# Lawmakers will try to build up affordable housing 

> Senators plan \$500M in appropriations to trust fund and creation of official housing office

By Robert Nott and Nicholas Gilmore<br>rnott@sfnewmexican.com ngilmore@sfnewmexican.com

In a state dominated by concerns about education, crime and poverty, another consistent challenge has been rapidly climbing its way to the top tier of worries: housing - particularly, affordable housing.

A study commissioned in 2022 by the New Mexico Mortgage Finance Authority said the state has a shortage of 32,000 affordable units for low-income households in New Mexico. The study says the lack of affordable housing not only hinders household self-sufficiency and economic growth but also impedes economic development.

Housing prices and rental rates have been increasing quickly over the past few years. Median home prices in the Santa Fe area alone still hover around the half-million-dollar mark, while the average hourly wage for the Santa Fe metropolitan area is about $\$ 25$, according to spring 2022 U.S. Bureau of Labor Statistics Data.

Two leading state senators want to do something about that during this year's 30 -day legislative session, scheduled to start at noon Tuesday.

One wants the state to create a new housing office to come up with a strategic plan for solving
the issue. The other wants the

Legislature to add $\$ 500$ million to the state's housing trust fund,
Both agree affordable housing is a key to ensuring public safety, supporting economic development and attracting workers to New Mexico.
"It affects our workforce," said Sen. Nancy Rodriguez, D-Santa Fe , who introduced the legislation to appropriate $\$ 500$ million to the New Mexico Housing Trust Fund, which is under the Mortgage Finance Authority. The fund is designed to help finance affordable housing initiatives through low-interest rate loans, mortgage assistance and construction loans to companies wanting to build affordable housing in New Mexico communities.
"The impact [of a lack of affordable housing] goes so far - domestic violence, mental
health, the health of families, the unhoused," Rodriguez said in an interview. "Look at families who may be dealing with depression, financial challenges, social ills; not having a house has got to negatively impact these families."

Sen. Michael Padilla, D-Albuquerque, who introduced legislation to create the state Office of Housing, echoed that thought. The possibility of owning a home is part of the American Dream, he said, and not having a shot at that goes far beyond missing out on that dream.
"We have to solve our housing crisis because it lends itself to so
many other issues and problems," he said.

The proposed department would, among other measures, work to provide affordable workforce housing. A director (not a Cabinet secretary) would
develop a housing action plan for the state by July 1 , and then provide subsequent plans once a year. The estimated startup cost to get the department going is $\$ 1$ million, Padilla said in an interview. Padilla said he has Gov. Michelle Lujan Grisham's support on the initiative.
Housing advocates are praising both bills. They say housing makes a key difference in both safety and economic development: After all, they ask, how can you live and work in a community if you cannot find or afford housing?
Builders lack incentive to come in and "build something that will help the community," said Nicole Martinez, executive director of the nonprofit Mesilla Valley Community of Hope, which oversees a city-approved encampment for the unhoused near Las Cruces.
The New Mexico Housing Trust Fund provides "gap" money to make up whatever budgeting shortages builders face in an effort to build rental units, she said. Rodriguez's $\$ 500$ million proposal can help fill in that gap bucket, she said.
Martinez said out-of-state entities may be creating additional barriers - administrative and

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Author: By Robert Nott and Nicholas Gilmore
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Keywords: Housing Trust Fund ~Mortgage Finance Authority $\sim$ New Mexico Housing Trust Fund $\sim$ New Mexi
holding fees for renters - to affordable housing, making Rodriguez's bill particularly important.

Meanwhile, Padilla's proposed housing office would help small developers take on projects that can only be done now by larger, out-of-state developers, said Daniel Werwath, a housing developer and advocate for affordable housing development.
Werwath said he and other housing advocates helped shape Padilla's bill with the hope the office, if it becomes a reality, will "study, evaluate and coordinate housing across jurisdictions statewide, including housing investment, development, infrastructure, revitalization, equity, stability, quality and standards."

He said the original proposal came together in Lujan Grisham's Housing Investment Council, to which he was appointed last year and which also includes Padilla.
"The big goal was to come up with some key solutions that are going to address not just affordability but housing availability in general," Werwath said.
He said one "big deterrent" hindering much-needed development - especially for smaller operators - is the upfront cost of building infrastructure including roads, bridges and streetlights for housing developments. Loans for such projects tend to be risky, he said, and the assets are usually turned over to the city or county over time.
An Office of Housing could help coordinate housing infra-
structure projects around the state, he said, and steer more funds where needed.

These will likely not be the only housing proposals pitched during the session. Already Lujan Grisham's proposed budget includes putting $\$ 250$ million in
nonrecurring money into the New
Mexico Housing Trust Fund.
And Sen. Roberto "Bobby"
Gonzales, D-Rancho de Taos, has introduced a bill to appropriate $\$ 500,000$ to help the New Mexico Mortgage Authority support the state's Affordable Housing Act.

Martinez said it's past time to do something about the problem.
"Housing has been neglected for a long time, and not just in New Mexico," she said. "I think the housing issues in the state have risen to the forefront."

## TAKEAWAYS

- Advocates say more must be done to provide affordable rental and housing units in a state where one study says there is a shortage of at least 32,000 affordable housing units for low-income families.
- Two state senators have introduced bills to address the problem. One calls for the creation of a new state Office of Housing to create a strategic housing plan; the other asks the Legislature to appropriate $\$ 500$ million to the New Mexico Housing Trust Fund,
- Other affordable housing bills are likely to be introduced during the upcoming legislative session, scheduled to begin at noon Tuesday. Gov. MIchelle Lujan Grisham has also called for a $\$ 250$ million appropriation for the New Mexico Housing Trust Fund in her proposed budget for the coming year.

Publication Date: 01/14/2024 Page Number: 006
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Keywords: Housing Trust Fund ~ Mortgage Finance Authority $\sim$ New Mexico Housing Trust Fund ~New Mexic


A crew member works on a roof at a Santa Fe affordable housing complex in February 2021. With a shortage of 32,000 affordable units for low-income households in the state, two leading state senators have put forward proposals in this year's $\mathbf{3 0}$-day legislative session to help solve the problem.

Publication Date: 01/16/2024 Page Number: 001
Title: Smoothing out budget differences top priority
Author: By Daniel Chacon dchacon@sfnewmexican.com
Size : 80 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Housing Trust Fund $\sim$ Mortgage Finance Authority $\sim$ New Mexico Mortgage Finan

## Smoothing out budget differences top priority

> Proposals by governor and Legislature not far apart, but disagreements on key details

## By Daniel Chacon

achacon@sfnewmexican.com
From a numbers standpoint, separate spending plans put forth by the executive and legislative branches of state government for the upcoming fiscal year aren't that far off.

Gov. Michelle Lujan Grisham is proposing a record high $\$ 10.5$ billion budget, while lawmakers are recommending a slightly slimmer $\$ 10.1$ billion spending plan amid a revenue bonanza fueled in large part by the oil and gas industry.

Directionally, both budget recommendations are similar as they focus on health care, housing and how to improve schools through literacy initiatives and extended learning time.

But the devil is in the details.
"There, in fact, is a great deal of common purpose, a common focus, and also there are some important differences," Rep. Nathan Small, D-Las Cruces, said Monday, the eve of the 30 -day legislative session, which is focused primarily on passing a state budget.

The Legislature, which convenes Tuesday at noon, is also poised to consider hundreds of pieces of legislation, including a slew of contentious gun violence prevention measures.

Small, who serves as chairman of the House Appropriations and Finance

Committee and vice chairman of the interim Legislative Finance Committee, said one of the biggest differences between the lawmakers' spending plan and the governor's is the proposed creation of a $\$ 300$ million government accountability trust fund.

As explained by lawmakers, the fund would essentially be used to finance pilot projects to ensure they deliver

Please see story on Page A-5

## Budget

## Continued from Page A-I

results before the Legislature commits to making them part of the state's recurring funding. Small called the proposed fund a new and innovative idea,
"We are really focused on effective implementation, on making sure that money is budgeted in the ways where it can best help New Mexicans make the most impact," he said.

Wayne Propst, secretary of the New Mexico Department of Finance and Administration, said the executive branch at this point has more questions than answers
about the proposed fund.
"It is a significant change to the way the state does its budget, the most significant change I've seen in my 19 years or so in state government," he said.

Propst questioned whether a short session was the right time to consider such a big change and noted there were no hearings on the proposal "during the interim to kind of flesh out how exactly it would work."
Lawmakers meet for 60 days in odd-numbered years and 30 days in even-numbered years, which some say limits how much they can get done.

Charles Sallee, director of the Legislative Finance Committee, said the $\$ 300$ million would be "for four years' worth of spending for a variety of different projects."

Publication Date: 01/16/2024 Page Number: 001
Title: Smoothing out budget differences top priority
Author: By Daniel Chacon dchacon@sfnewmexican.com
Size : 80 Inches Sq Santa Fe,NM Circulation: 19157
Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

Sallee noted some agencies requested big increases in their budgets.

Once a new initiative is added to an agency's base budget, he said, "one of the concerns is that if it's not effective or not effectively implemented, getting that
back out is very difficult."
The new fund would allow the committee to avoid saying no to a new request outright and instead say, " Maybe, but you're going to have to prove it because we're going to give you four years' worth of funding Go show that this is worthwhile to build info the agency's base budget; " Sallee said. Other key distinctions between the two spending plans:

- The governor is proposing a $\$ 500$ million tax package, while lawmakers are proposing $\$ 200$ million in tax cuts.
- The governor's spending plan calls for $3 \%$ across-theboard pay increases and $14 \%$ hikes for New Mexico State Police officers, which some lawmakers worry will drive up vacancy rates at smaller law enforcement agencies. The LFC is proposing $2 \%$ across-theboard pay increases and then providing agencies an additional $2 \%$ for positions that are hard to


## fill or for retention.

- Medicaid provider reimbursement rates would be higher under the governor's proposed budget than the LFC's.
- Lawmakers would receive less funding for capital outlay in their districts under the governor's spending plan, a proposal already creating strife. While the governor's proposal calls for each chamber of the Legislature and the executive branch to split $\$ 350$ million three ways and $\$ 500$ million for statewide capital outlay, the LFC proposal calls for a three-way split of $\$ 525$ million.
"We certainly have some things that we would like to have funded that they don't," Propst said. "In particular, we have a very large housing package, which is $\$ 500$ million of nonrecurring funding."
In her executive budget recommendation, Lujan Grisham called the proposed housing package "the most robust invest-
ment in housing in state history."
The funding would be split evenly between the New Mexico Mortgge Finance Authority's Housing Thust Fund and the New Mexico Finance Authority's Opportunity Enterprise Fund to provide direct assistance for renters, homeowners and people experiencing homelessness, as well as a loan program that provides financing for building and renovation projects.

Sen. George Muñoz, a Gallup Democrat who chairs the LFC and the Senate Finance Committee, said the recurring spending in the governor's budget would require painful budget cuts in the future.

Maddy Hayden, a spokeswoman for Lujan Grisham, said the Governor's Office disagrees with the contention.
"There is no evidence that budget cuts will be required," she wrote in an email.
"In fact, the LFC's own analysis projects steady revenue growth for the foreseeable future, albeit at lower levels than the past few years," she wrote. "The LFC's recurring, non-recurring capital outlay and proposed tax package are all within the range of the Executive's budget. ... Plus, the Executive Budget maintains higher reserves at $34.2 \%$."

Lawmakers and Propst said they expect the two branches of government to reach a compromise.
"Whether you're talking about capital outlay, whether you're
talking about a tax package, whether you're talking about recurring or nonrecurring spending, the overall differences in terms of dollar amounts are not that different, and I think there's some commonality in priorities as well," Propst said. "I think we'll get there."

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LUIS SÁNCHEZ SATURNO/THE NEW MEXICAN
Robert Chavez with the Capitol's IT Department sets up a computer Friday in the office of Rep. Nathan Small, D-Las Cruces. Small, who serves as chairman of the House Appropriations and Finance Committee and vice chairman of the Legislative Finance Committee, said there are details to be ironed out between the governor's and the legislature's budget proposals.

# Authority allocates $\mathbf{\$ 5 . 5}$ million from New Mexico Housing Trust Fund 

In an effort to help more New Mexicans purchase a home, the Nery Mexico Mortgage Finance Authority is offering a new down payment assistance loan program. FirstDown Plus is a third mortgage down payment assistance loan designed to provide $\$ 15,000$ in additional down payment funds to first-time homebuyers qualified to use MFA's FirstHome program.

The MFA board of directors unanimously approved the FirstDown Plus Ioan program at its November meeting, and MEA has allocated $\$ 5.5$ million from the New Mexico Housing Trust Find for the program, according to a news release.
"FirstDown Plus is yet another mortgage program we offer toassist New Mexicans with purchasing a home and start building wealth," said Isidoro Hermandez, MFA executive director/CEO.
"The higher home prices and interest rates have made homeownership more challenging, and the $\$ 15,000$ made available under this program will facilitate homeownership for many qualifying New Mexicans. I encourage homebuyers to visit our website and find a participating lender to determine eligibility and start the process."
For the past five years, MFA has helped an average of 2.000 New Mexico fami-
lies per year become homeowners with its down payment assistance programs, the release stated.
Previous homeowners who have not owned and occupied a home as their primary residence during the past three years may also be cligible for the program.
Following are more details about the new program:

- FirstDown Plus must be used in conjunction with
MFA's FirstHome (first mortgage) and FirstDown (second mortgage) programs.
- Borrower cligibility requirements are the same for FirstHome, FirstDown and FirstDown Plus.
- FirstDown Plus provides a fixed amount of $\$ 15,000$ in the form of a 10-year, non-amortizing
loan with a zero percent interest rate. The loan has no monthly payments and will be forgiven if the borrower continually occupies the home for a full 10 -year period and does not sell, refinance, transfer the title, rent out or otherwise vacate the property.
- The $\$ 15,000$ must be used exclusively for down payment.
- FirstDown Plus is a loan, not a grant.
Details about the FirstDown Plus program is available on the ME 1 website.

For more information about any of MFA's homeownership programs, visit housingnm.org homebuy ers.

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Title: Silver to install baby safe-surrender box
Author:
Size : 90 Inches Sq Silver City,NM Circulation: 8972
Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

## SILVER CITY DAILY i i $4<$ AND INDEPENDENT

## Silver to install baby safe-surrender box

In its first meeting of the year last Tuesday, the Silver City Town Council debated the installation of an safe-surrender box for infants, approved the sale of a parcel of town land and learned of possibly millions of state and federal dollars for housing development.

The mayor also offered a plea for Town Manager Alex Brown to reconsider his retirement later this year.

The council approved the installation of a Safe Haven Baby Box for anonymous surrender of an infant, although a location for the box has not yet been selected. Under the state's Safe Haven for Infants Act, a parent can surrender a baby up to 90 days old without being criminally charged with child abandonment. The law allows for surrender at a hospital, law enforcement office or fire station.
ln 2022, the law was expanded to include anonymous surrender
through the boxes, and funding was provided for their installation. The Bayard City Council approved installing a box last No-
vember, and boxes have already been installed in Belen, Española, Hobbs, Roswell and Carlsbad.

Silver City Fire Chief Milo Lambert said a likely location for the box would be at one of the town's fire stations.

## SILVER Page 15

## Silver...

## From Page 1

Voting to approve the measure were District 1 Councilor Rudy Bencomo, new District 3 Councilor Stan Snider and District 4 Councilor Guadalupe Cano. District 2 Councilor Nick Prince abstained from voting after raising concerns about possible reunification of surrendered children.
"Anything we can do to make sure that any child in this community is safe is great to me," Cano said. "This also gives people options. There's situations
where someone can't take care of their child. This is a safe, anonymous way to make sure that your child remains safe for the rest of their life."

She said the boxes, which are climate-controlled and notify first responders immediately after they have been used, are a safe option, especially in cold winter temperatures.

Prince said that reunification of children in foster care is a frequent issue that arises nationwide, and he was concerned how the anonymity of the boxes would allow for that.
"It's still going to be a surrender to [the Children, Youth and Families Department] that we have with the state, and it's going to limit what the services are that they're going to be able to offer for anybody that is looking to give up custody of their child as they're an infant," he said.

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Town Attorney Jim Reynolds said the Safe Haven law has provisions for reunification.
"A parent would always have standing to intervene in any CYFD legal action, so they could automatically intervene if they change their mind," he said.
The anonymous nature of the boxes would likely require a parent who changed their mind to go through genetic testing to prove the surrendered infant is theirs, Prince said.
"CYFD has been dealing with these issues for decades," Reynolds said. "They have a procedure in place for parents to intervene, to prove they're the parent. They will pay for any parental test, DNA test, to show that they are the parent."

Reynolds added that he's been involved in dozens of CYFD cases.
The council also unanimously approved the sale of a nearly 120 -acre parcel of land north of the town for $\$ 401,000$ to William Marvin Jr. and Robin Hildeb-rand-Marvin.
The couple spoke during public input at last week's meeting and said they have no intention to develop the land, which was once part of the town's water system. They plan to join it with two adjoining parcels totaling 185 acres they already own, all originally part of a ranch.
"This would be the final section of that ranch, which is to be placed in a land trust which can never be developed and never be subdivided, so we have land for our future generations to enjoy,"

Marvin said.
The land was appraised at $\$ 380,000$, and the Marvins were the sole bidders for the land after it was put up for sale in a request for proposals last October, Brown said.

During his report to the council, Brown said he'd gotten word from Sen. Martin Heinrich's office that the senator had put $\$ 330,000$ into the federal budget for the town's Vistas de Plata subdivision, which last month saw the installation of several new houses.
"That was all we were expecting up to that point, until the middle of December," Brown said. "Then I got a call from the Governor's Office offering us another $\$ 3$ million."

On Dec. 15, he said, the New Mexico Mortgage Finance Authority had awarded another $\$ 500,000$ to the project next fiscal year.

He then heard from Heinrich's office last week that instead of $\$ 330,000$, the senator had gotten $\$ 1.5 \mathrm{mil}-$ lion into the federal budget for the housing development.
"So we went from maybe $\$ 330,000$ to $\$ 5$ million," Brown said. "It's a good problem to have."

Both the federal and state budgets have yet to be approved, however. Congressional leaders announced Sunday that they have an agreement on overall spending for the remainder of
fiscal year 2024 while also creating a short-term funding bill to avert a partial government shutdown later
this week. The New Mexico Legislature opens its 2024 session today.

Mayor Ken Ladner made an appeal to Brown to reconsider his retirement during the organizational section of the meeting.

Brown is slated to retire in November, but Ladner said he believed now is not the right time for him to leave due to the number of crucial town projects that are either underway or pending. Ladner cited the regional water project, relocation of City Hall to the current annex building, Little Walnut Road improvements, Gough Park expansion and the new rec-
reation center as examples.
"Mr. Brown's inside and outside knowledge of all these projects is, quite frankly, irreplaceable at this juncture, and I believe that, given enough time, those projects will have advanced to a stage where someone else could hope to successfully take them over," Ladner said. "I believe that we are not yet at that point. I think that losing Mr. Brown now could be tremendously detrimental to the completion of so many important and expensive projects."

Ladner said after word had gotten out about Brown's impending retirement, he began to receive phone calls, emails and personal contacts from people hoping Brown would stay
on. The mayor read excerpts from a letter from Free-port-McMoRan signed by Chino Mine General Manager Randy Ellison and Ty-

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rone Mine General Manager
Erich Bower, and a second letter from CPA Mike Stone, who is the town's auditor, both praising Brown's work.

After reading the letters, Ladner moved on to the next agenda item without further comment.

Also during that organizational part of the meeting, Cano was reelected by the council as their mayor pro tem, who presides over the council in the mayor's absence, and Ladner appointed Snider to replace his predecessor, former District 3 Councilor Jose Ray, on the area transportation author-
ity board and the Southwest Solid Waste Authority board.

The council also unanimously approved a resolution authorizing a Colonias loan and grant from the state for the next phase of improvements to Little Walnut Road. The agreement is for a $\$ 155,900$ loan and $\$ 1.4$ million grant.

Brown said design is complete for the project, which will include paving, curb and gutter, sidewalks and drainage improvements, but the town will delay putting it out for bid until spring.
"There's so much work being done that the two contractors that usually bid on our road projects are really packed," he said.
-JUNO OGLE

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Title: NM Mortgage Finance Authority to offer home services in McKinley
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## NM Mortgage

## Finance

Authority to offer home services in McKinley

By Independent staff

ALBUQUERQUE The New Mexico Mortgage Finance Authority will offer direct home rehabilitation services through the Home Improvement Program in McKinley County and seven other counties where they currently do not have a service provider for the HOME Rehabilitation Program. The program provides repairs to bring homes up to code, essential improvements that are non-luxury in nature, including roof and mobile home replacement, and accessibility modifications to homeowners who lack the resources to do so.

MFA currently contracts with six service providers that administer home rehabilitation services in all but eight counties, according to the Tuesday news release. Through its new Home Improvement Program, MFA will serve residents in McKinley, San Juan, Guadalupe, Harding, Los Alamos, Rio Arriba,

Quay, and Union Counties. These eight counties don't currently have a service provider.
"Because it has historically been challenging to identify a home rehabilitation service provider in certain counties. MFA's Board of Directors granted approval for us to provide services directly," said Donna Maestas-De Vries, MFA Chief Housing Officer. "We continue to be innovative in terms of identifying creative solutions to help ensure New Mexicans have safe, affordable housing. Our team saw a need, and we are excited that we are about to address that need through this program."
In 2023. MFA provid- ed over $\$ 2.2$ million in

## See Home program, <br> Page 5

## Home program

## Continued from Page 1

funding to rehabilitate 26 homes in the state.

The Home Improvement Program allows for repair, reconstruction and rehabilitation of homes occupied by eligible income-qualified homeowners. These improvements may include - but are not limited to:

- Making energy-saving conservation improvements.
- Eliminating health and safety hazards.
- Enhancing accessibility for disabled or elderly persons.
- Structural alterations and reconstruction.
- Repair or replacement of major housing systems.
- Adding or replacing roofing.
- Reconditioning plumbing.
- Installing or replacing a septic system.
- Mobile home improvements or replacement.
From Feb. 1-29, MFA will accept applications from qualified individuals whose homes need rehabilitation. For information about the Home Improvement Program, to access
the application and to view income limits per county, visit housingnm. org/home-rehabilitation-and-weath-erization/home-rehabilitation-program. The services will be provided on a first-come, first-served basis for clients who submit a complete application during the open application period.

For questions, contact MFA Home Rehabilitation Programs Supervisor Gina Bell at gbell@housingnm.org or 505-767-2274.

The New Mexico Mortgage Finance Authority was created in 1975 by the New Mexico State Legislature to provide quality affordable housing opportunities for all New Mexico residents. MFA, the state's housing agency, uses housing bonds, tax credits and other federal and state resources to fund more than 40 housing programs.

In addition to funding the construction and rehabilitation of affordable housing and rental properties, MFA's programs include down payment assistance, homelessness prevention and emergency shelter, weatherization services, rental assistance and housing for people with
special needs.
MFA has provided over 500,000 families with affordable housing and
services since its inception.
Information:
MFA, www.housingnm.org.

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Courtesy of Southwestern Regional Housing and Community Development Corp. The New Mexico Mortgage Finance Authority will offer direct home rehabilitation services through its new Home Improvement Program in eight counties where they currently do not have a service provider. This before-and-after photo is an example of an MFA-funded HOME Rehabilitation Program project in which a bathroom was transformed to be elderly-accessible.

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# Need for low-incoming housing high on session agenda 

## ROBERT NOTT AND NICHOLAS GILMORE

SANTA FE NEW MEXICAN
SANTA FE - In a state dominated by concerns about education, crime and poverty, there is another consistent challenge that has been rapidly climbing its way to the top tier of worries:
Housing - particularly affordable housing.
A study commissioned in 2022 by the Now Mexlco Mortgage Fluance Authority said there is a shortage of 32,000 affordable units for low-income households in New Mexico. The study says the lack of affordable housing not only hinders household self-sufficiency and economic growth but also impedes economic development.
Housing prices and rental rates have been increasing quickly over the past few years. Median home prices in the Santa Fe area alone still hover around the half-mil-lion-dollar mark while the average hourly wage for the Santa Fe metropolitan area is about $\$ 25$, according to spring 2022 U.S. Bureau of Labor Statistics Data.
Two leading state senators want to do something about that during this year's 30 -day legislative session, scheduled to start at noon Tuesday.
One wants the state to create a new housing office to come up with a strategic plan for solving the issue. The other wants the Leg-
islature to approve $\$ 500$ million to the state's housing trust fund
Both agree affordable housing is a key to ensuring public safety, supporting economic development and attracting workers to New Mexico.
"It affects our workforce," said Sen. Nancy Rodriguez, D-Santa Fe , who introduced the legislation to appropriate $\$ 500$ million
to the New Mexico Housing Trust Fund, which is under the Mortgage Finance Surhority. The fund is designed to help finance affordable housing initiatives through low-interest rate loans, mortgage assistance and construction loans to companies wanting to build affordable housing in New Mexico communities.
"The impact lof lack of affordable housingl goes so far - domestic violence, mental health, the health of families, the unhoused," Rodriguez said in an interview. "Look at families who may be dealing with depression, financial challenges, social ills - not having a house has got to negatively impact these families."
Sen. Michael Padilla, D-Albuquerque, who introduced legislation to create the state Office of Housing, echoed that thought. The possibility of owning a home is part of the American Dream, he said, and not having a shot at that goes far beyond missing out on

## that dream.

"We have to solve our housing crisis because it lends itself to so many other issues and problems," he said.
The proposed department would, among other measures, work to provide affordable workforce housing and hire a director (not a Cabinet secretary) who would develop a housing action plan for the state by July 1, and then provide subsequent plans once a year. The estimated startup cost to get the department going is $\$ 1$ million, Padilla said in an interview. Padilla said he has Gov. Michelle Lujan Grisham's support on the initiative.
Housing advocates are praising both bills in an environment in which housing makes all the difference when it comes to both
safety and economic development. After all, they ask, how can you live and work in a community if you cannot find or afford housing?
Nicole Martinez, executive director of the nonprofit Mesilla Valley Community of Hope, which oversees a city-approved encampment for the unhoused near Las Cruces, said there is often not enough incentive for builders to come in and "build something that will help the community."
But those developers can use "gap" money from the New Mexico Housing Trust Fund to make
up whatever budgeting shortages they face in an effort to build rental units, she said. Rodriguez's $\$ 500$ million proposal can help fill in that gap bucket, she said.
She said Rodriguez's bill is particularly important as Martinez sees more out-of-state entities which may be creating additional barriers - administrative and holding fees for renters - to affordable housing.
Meanwhile, Daniel Werwath, a housing developer and advocate for affordable housing development, said in an interview Padilla's proposed housing office would help small developers do what can only be done now by larger, out-ofstate developers.
Werwath said he and other housing advocates helped shape Padilla's bill with the hope the office, if it becomes a reality, will "study, evaluate and coordinate housing across jurisdictions statewide, including housing investment, development, infrastructure, revitalization, equity, stability, quality and standards."
He said the original proposal came together in Lajan Grisham's Housing Investment Council, to which he was anpointed last vear

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and which also includes Padilla.
"The big goal was to come up with some key solutions that are going to address not just affordability but housing availability in
general," Werwath said.
He said one "big deterrent" hindering much-needed development - especially for smaller operators

- is the upfront cost of building infrastructure including roads, bridges and streetlights for housing developments. Loans for such projects tend to be risky, he said, and the assets are usually turned over to the city or county over time.
An Office of Housing could help coordinate housing infrastructure projects around the state, he said, and steer more funds where needed.
These will likely not be the only housing proposal pitched during the session. Already Lujan Grisham's proposed budget includes putting $\$ 250$ million in nonrecurring money into the New Mexico Housing Trust Fund,
And Sen. Roberto "Bobby" Gonzales, D-Rancho de Taos, has introduced a bill to appropriate $\$ 500,000$ to help the New Mexico Mortgage Authority support the state's Affordable Housing Act.
Martinez said it's past time to do something about the problem.
"Housing has been neglected for a long time, and not just in New Mexico," she said. "I think the housing issues in the state have risen to the forefront."

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## County now qualifies for housing rehab assistance

## The Communicator

## The New Mexico Mortgage Finance Authority

(MFA) announced Tuesday that it will offer direct home rehabilitation serviees through its new

Home Improvement Program in eight counties where they currently do not have a service provid-
er for the HOME Rehabilitation Program.

According to a news release, MFA's HOME Rehabilitation Program provides repairs to bring homes up to code, essential improvements that are non-luxury in nature, including roof and mobile home replacement, and accessibility modifications to homeowners who lack the resources to do so,
MFA currently contracts with six service providers that administer home rehabilitation services in all but eight counties. But now, $\neg$ through its new Home Improvement Program, MFA will serve residents in Guadalupe, Harding, Los Alamos, McKinley, Rio Arriba, Quay. San Juan and Union Counties - the eight counties that don't currently have a service
provider.
"Because it has histor-
$\gg$ Sce Housing, Page 4

## Housing

Continued from Page 3
ically been challenging to identify a home rehabilitation service provider in certain counties, MFA's Board of Directors granted approval for us to provide services directly," Donna Maes-tas-De Vries, MFA Chief

Housing Officer, said in the release. "We continue to be innovative in terms of identifying creative solutions to help ensure New Mexicans have safe, affordable housing. Our team saw a need, and we are excited that we are about to address that need through this program."

Last year, MFA provided over $\$ 2.2$ million in
funding to rehabilitate 26 homes in the state.
The Home Improvement Program allows for repair, reconstruction and rehabilitation of homes occupied by eligible in-come-qualified homeowners. These improvements may include - but are not
limited to: making ener-gy-saving conservation improvements, eliminating
health and safety hazards, enhancing accessibility for disabled or elderly persons, structural alterations and reconstruction, repair or replacement of major housing systems, adding or replacing roofing, reconditioning plumbing, installing or replacing a septic system, and mobile home improvements or replacement.

In February. MFA will accept applications from qualified individuals whose homes need rehabilitation.

For information about the Home Improvement Program, to access the application and to view income limits per county, please visit housingnm.org/home-re-habilitation-and-weather-ization/home-rehabilita-
tion-program.
The services will be provided on a first-come, first-served basis for clients that submit a complete application during the open application period.

For questions, contact MFA Home Rehabilitation Programs Supervisor Gina

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> org or $505-767-2274$.

Title: Juan Olvera to lead state apartment association
Author: BY RYAN BOETEL JOURNAL BUSINESS EDITOR
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# Juan Olvera to lead state apartment association 

## BY RYANBOETEL

JOURNALBUSINESSEDITOR

T$T$ he executive director of a bousing authority for lowincome families was named president of a New Mexico apartment association. Juan Olvera earlier this month was sworn in as president of the Apartment Association of New Mexico for 2024. The association advocates for apartment communities and owners to
address the state's needs.
Olvera is the executive director of the Mesilla Valley Public
Housing Authority, one of New Mexico largest providers of affordable housing programs for low-income families. He oversees a $\$ 8.5$ million budget that supports around 2,500 New Mexico families.
Prior to that, he was the director of development and capital projects for the Housing Authority of the City of El Paso.
"Very excited to be the president of the AANM and to lead the association to continue to grow, to provide value to our members and to meet the needs of the communities that we serve," he said in a statement.
Olvera will lead the association as the state works to address a lack of affordable housing. The New Mexico Mortgage Finance Authority in a 2023 report found that the state was lacking 32,000
affordable units for low-income families,
"Juan brings vast knowledge and expertise in the multifamily industry. We are thrilled to continue our growth and prosper under his leadership," AANM Executive Director Alan LaSeck said in a statement.

Ryan Boetel sthe businiess editor for the Albuquerque Jourrial. He canbereachedat 505-823-3960 or rooetclerabaicurnal com

Title: MFA expands home rehab program to additional counties
Author: BY RYAN BOETEL JOURNAL BUSINESS EDITOR
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## MFA expands home rehab program to additional counties

BY RYAN BOETEL
JOURNALBUSINESSEDITOR

The New Mexico Mortgage Finance Authority is expanding its direct home rehabilitation program to eight counties where services hadn't previously been offered.

The MFA has a program in which it provides repairs to bring homes up to code and makes essential improvements that are non-luxury in nature, like roof repair. The program is for homeowners who lack the resources to pay for the repairs.

The program is expanding to residents in Guadalupe, Harding, Los Alamos, McKinley, Rio Arriba, Quay, San Juan and Union counties.
"Because it has historically been challenging to identify a home rehabilitation service provider in certain counties, MFA's Board of Directors granted approval for us to provide services directly," said Donna Maestas-De Vries, MFA chief
housing officer. "We continue to be innovative in terms of identifying creative solutions
to help ensure New Mexicans have safe, affordable housing. Our team saw a need, and we
are excited that we are about to address that need through this program."

In 2023, the MFA provided more than $\$ 2.2$ million to rehabilitate 26 homes throughout
the state.
Some of the projects included energy-saving improvements, eliminating health and safety hazards, adding or replacing roofing and enhancing accessibility to disabled or elderly residents.
The MFA will accept applications from qualified individuals who have homes in need of rehabilitation from Feb. 1 through Feb. 29. Services will be provided on a first-come, firstserved basis.
People with additional questions can contact MFA Home Rehabilitation Programs Supervisor Gina Bell at gbell@ housingnm.org or 505-767-2274.

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MORTGAGEFINANCEAUTHORITY
A before and after photo of a home rehabilitation carried out by the New Mexico Mortgage Finance Authority.

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Title: Affordable housing not affordable enough
Author:


# Affordable housing not affordable enough 

If you want to buy your first home in New Mexico, and you are of low to moderate income, you probably should not count on buying a new one.
According to one of the state's leading experts, New Mexico builders cannot build a house today for less than $\$ 250,000$. A person of modest means can't afford that. A person who can afford that amount makes too high an income to qualify for help from the agencies that are set up to provide that help.
So says Jack Milarch. CEO of the New Mexico Home Builders Association and one of the most trustworthy people I know.
Affordable housing is a great need and a very worthy goal for New Mexico, but Mifarch says the numbers need to be tweaked before builders can get to work.
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(EDITOR'S NOTE: Merilee Dannemamn is a writer and public policy analyst whose career has included work as a journalist and two decades in New Mexico state government. Contact her at triplespacedagain.com.)

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Author:
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Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority


## New Mexico News Service

## Affordable housing <br> is not affordable enough

If you want to buy your first home in New Mexico, and you are of low to moderate income, you probably should not count on buying a new one.

According to one of the state's leading experts. New Mexico
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Contact Merilee Dannemann
through www.triplespacedagain.com.


# Triple Spaced Again 

By Merilee Dannemann

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Title: State offers home rehab services here
Author:
Size : 50 Inches Sq Tucumcari,NM Circulation: 1663
Keywords: Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority

## State offers home rehab services here

## STAFF REPORT

The New Mexico Mongage Finance Authority is offering direct home rehabilitation services in eight counties, including Quay County, that do not have a service provider for its Home Rehabilitation Program.
The authority's program provides repairs to bring homes up to code, makes essential improvements that are nonluxury in nature, including roof and mobile home replacement, and performs accessibility modifications to homeowners who lack the resources to do so.
The authority contracts with six service providers that administer home rehabilitation services in all but eight counties. Through its Home Improvement Program, MFA will serve residents in Guadalupe, Harding, Los Alamos, McKinley, Rio Arriba, Quay, San Juan and Union counties. These are the eight counties that lack a service provider.
"Because it has historically been challenging to identify a home rehabilitation service provider in certain counties, MPA's board of directors granted approval for us to provide services directly," said Donna Maestas-De Vries, MFA chief housing officer.
"Our team saw a need, and we are excited that we are about to address that need through this program."
In 2023, the authority provided over $\$ 2.2$ million in funding to rehabilitate 26 homes in the state.

The Home Improvement Program allows for repair, reconstruction and rehabilitation of homes occupied by eligible income-qualified homeowners. These improvements may include but are not limited to:

- Making energy-saving conservation improvements
- Eliminating health and safety hazards
- Enhancing accessibility for disabled or elderly persons
- Structural alterations and reconstruction
- Repair or replacement of major housing systems
- Adding or replacing roofing
- Reconditioning plumbing
- Installing or replacing a septic system
- Mobile home improvements or replacement
From Feb. 1 to Feb. 29, the authority will accept applications from qualified individuals whose homes need rehabilitation.

Houschold income must not exceed $80 \%$ of the area median income adjusted for location and household size. In Quay County, the limit would be a income of $\$ 51,650$ for a four-person household.
For more information about the Home Improvement Program and to access the application or to view income limits per county, go to housingnm.org/home-re-habilitation-and-weatherization/home-rehabilitation-program
The services will be provided on a first-come, first-served basis for clients who complete an application during the period.
For questions, contact MFA Home Rehabilitation Programs supervisor Gina Bell by email at gbell a housingnm.org or by calling (505) 767-2274.

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This before-and-after image is an example of a Home Rehabilitation Pro gram project where a bathroom was transformed to be elderly-accessible, including a no-step shower, an elevated toilet and a grab bar.

# County backs bill raising age for some firearms purchases 

By Maya Hilty<br>mhilty@sfnewmexican.com

A proposal to raise the minimum age for the purchase of certain firearms in New Mexico to 21 has gained the support of Santa Fe County commissioners and county law enforcement leaders.

The commission Tuesday voted to support House Bill 127, which would restrict anyone under 21 from buying or possessing an automatic or semiautomatic gun or large-capacity magazine.

Sheriff Adan Mendoza and Undersheriff Ken Johnson even recommended strengthening the bill to include revolvers.
"I will tell you, as a sheriff, as an elected official, a law enforcement officer, some of these issues in reference to gun safety can become very delicate," Mendoza told commissioners.
"As an avid outdoorsman, a hunter [and] a rancher, there were some concerns that this bill may affect the youth that may be wanting to get involved in hunting or the outdoors or shooting sports, and I think this bill actually addresses a lot of those concerns," he added, calling the measure something he "can support."

The bill's exemptions include people under 21 who are hunting, target shooting at an established range or shooting on their family's property, supervised by family members.

HB 127 was one of several bills
introduced so far in the 2024 legislative session that received the commission's backing.

In November, the commission identified a wide range of legislative priorities, including funding for capital projects, behavioral health initiatives, workforce recruitment, crime prevention, local agriculture, tourism and broadband expansion.

With little discussion Tuesday, commissioners voted to support a proposal by Sen. Nancy Rodruiguez, D-Santa Fe, for a
$\$ 500$ million appropriation to the state Housing Trust Fund for affordable housing projects and a bill prohibiting housing discrimination based on a renter's source of income.
"It is not uncommon" that landlords in Santa Fe County "explicitly state" they will not lease to renters on public assistance such as housing vouchers, said Jordan Barela, the county's housing operations executive director.

The commissioners also unanimously supported four bills Sustainability Manager Jacqueline Beam said would reduce greenhouse gas emissions by promoting solar energy, electric cars and "lower carbon-intensity" fuels, and call for a study on the feasibility of a statewide composting program.

Commissioners did not, however, lend support to bills that would create a paid family and
medical leave program, citing concerns about the effects on small businesses.

They indicated they could get behind a leave program with some minor changes, such as lifting a requirement very small businesses reinstate employees after their leave.
"This is a very broad and generous program, perhaps even too generous," Commission Chairman Hank Hughes said of one proposal, House Bill 6 .
If one of the bills passes, Santa Fe County, which already has a paid leave program, would likely seek an exemption from the state program, County Manager Greg Shaffer said. He noted the proposed state program would cost the county and its workers about half a million dollars a year.
"Paid family leave sounds nice, but the devil is in the details," Commissioner Anna Hansen said. She added, the program must benefit employees and not punish them.

Title: State, federal money bolsters Silver City workforce housing
Author: By JUNO OGLE Daily Press Staff
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# State, federal money bolsters Silver City workforce housing 

## By JuNO OGLE <br> Daily Press Staff

With a large amount of fresh state money on the way for the Vistas de Plata subdivision and possible federal funding, the town of Silver City hopes to move forward soon on the next phase of development for its workforce housing project.

Town Manager Alex Brown announced at the Jan. 9 Town Council meeting that Gov. Michelle Lujan Grisham has pledged $\$ 3$ million toward the Vistas de Plata subdivision, while the New Slexion Mortgage IImane Authority has allocated another $\$ 500,000$.
The housing area is located west of Mountain View Road between 10th and Kelly streets in the Brewer Hill neighborhood. The town started its effort to develop the subdivision in 2002 before altering and reviving the project in 2019. Once a buyer closes on their home loan, the town donates the land to the new homeowner for a package deal.

Brown told the Daily Press both state allocations are included in the current fiscal year's budget, so the money is not subject to approval in the 2024 legislative session.
"As far as the $\$ 3$ million, we're just waiting for the agreement," he said. "They were hoping to get it out before the session started, but they weren't able to, so they're working on getting it. The NII $久$ money won't be available until the next fiscal year [in July]. It just takes time to go through the process of getting everything in place."

In addition, U.S. Sen. Martin Heinrich's office informed Brown recently that the senator had put $\$ 1.5 \mathrm{mil}$ lion into the federal budget for Vistas de Plata - far
more than the $\$ 330,000$ Brown had originally been told to expect by Heinrich's office. The federal budget has been delayed in Congress, however. A short-term funding bill was approved last week, and Congress now has deadlines in March for the fiscal year 2024 appropriations that could include Silver City's funding.
That potential $\$ 5$ million will pay for the next phase of the housing development, leveling and grading more lots. That work is estimated at $\$ 3$ million to $\$ 5$ million, Brown said.
"If it all comes through, we'll be able to complete the subdivision so that we can bring in as many homes as people can buy," he said.
However, some reengineering of the onginal lots will be needed, which will decrease the original number of homes that can be placed in the subdivision, he said.
"They ran into some some major issues with the amount of rock," Brown said. "They're trying to resolve the problem and see how they can design it so they have less problems with the rock."

Originally, the subdivision had been platted with 56 lots, but because of the redesign, that number will decrease to around 48, Brown said.

The town has an estimate of $\$ 110,000$ for that work, but contractor issues could cause some delay.
"We need to be able to find a contractor who will be able to come in and grade it. That's been one of our issues is the lack of contractors," Brown said.

Visible progress has been made on the subdivision, however. Four new homes were placed on Camino de Suenos on Dec. 19, although site work is still being done
before those homes are occupied.

There's been much interest in the subdivision, Brown
said, but delays in preparing lots have already caused one potential resident to cancel.
"With these four homes
that were just completed, we had a buyer who had to back out because part of their funding was going away,"
he said. "They had to find a home that was ready to go."
Juno Ogle may be reached at juno@scdailypress.com.

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(Press Staff Photo by Juno Ogle) Two of four new homes moved into the Vistas de Plata subdivision were still being prepared for occupancy on Monday. The town of Silver City will receive $\$ 3.5$ million in state funding and potentially will received $\$ 1.5$ million in the federal budget for further development of the workforce housing project.

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Author: By Patrick Lohmann Source New Mexico
Size : 54 Inches Sq Las Vegas,NM Circulation: 44277
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# $\$ 500$ million for affordable housing clears first committee 

By Patrick Lohmann<br>Source New Mexico

A Senate committee on Monday approved legislation that would put half a billion dollars toward affordable housing in New Mexico-a huge investment that one lawmaker said is necessary to stem the tide of homelessness and rising housing costs in the state.

Sen. Nancy Rodriguez (D-Santa Fe) acknowledged that the Legislature likely won't award the full amount of her proposed $\$ 500$ million appropriation request for the Housing Trust Fund, a program overseen by the New Mexico Mortgage Finance Authority.

She asked for that amount of money to send the message that there is an overwhelming need for a huge investment in housing across the state. And she said Housing Trust Fund administrators have proven themselves capable of leveraging relatively small appropriations from the state into more affordable housing options.
"This is an agency that is proven, truly. They do great work. It's statewide," Rodriguez said. "You can just see the results. As soon as they get the funding, it goes out."

The Senate Committee on Health and Public Affairs approved the legislation on a 6-3 vote, with all Republicans voting against. It now moves on to the Senate Finance Committee, where it will face more scrutiny.

The Housing Trust Fund was set up in 2005 to spur investments in affordable housing and to help people find a place to live. It provides grants for mortgage assistance, home
weatherization and loans for affordable housing development, among other programs.

In all that time, the agency has received $\$ 61$ million from the state, including $\$ 25$ million of federal funds awarded to address the coronavirus pandemic. In July 2023, the fund also received $\$ 37.5$ million in severance tax bond proceeds, of which more than half has been allocated, according to the agency.

With that funding, the agency has assisted 6,500 households by filling gaps in funding
to keep people housed, helping make multi-million-dollar affordable housing complexes break ground, and getting homeless people off the streets.

Isidoro "lzzy" Hernandez, the Mortgage Finance Authority director, said the fund's return on investment-based on the interest it receives on loans to developers, federal low-income tax credits and other sources - is 16-to-1.

The agency anticipates being able to spend $\$ 50$ to $\$ 80$ million from the fund per year, so estimates show the $\$ 500$ million appropriation request would last for between six and 10 years, according to the Mortgage Finance Authority: Any money not spent in the first year would stay in the fund, according to the legislation.

As part of her priorities this session, Gov. Michelle Lujan Grisham is calling for a $\$ 250$ million appropriation for the Housing Trust Fund to assist renters, homeowners and those without shelter, as well as a loan program to finance building or renovation. She's seek-

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ing another $\$ 250$ million to the New Mexico Finance Authority for similar programs. But the nonpartisan Legislative Finance Committee is seeking only a $\$ 50$ million appropriation, according to its recommendations. The committee report does not explain why it arrived at that figure.

Nearly 4,000 New Mexicans were homeless during a 2023 point-in-time count, an increase of $48 \%$ since 2022 and likely a huge undercount.

The state lacks 32,000 units affordable to those with low incomes, and nearly 220,000 households in the state spend more than $30 \%$ of their income on housing costs, according to the Mortgage Finance Authority.

In addition to sending along the proposed $\$ 500$ million appropriation, the committee supported $\$ 500,000$ for the state finance department, which Rodriguez said would go to help small towns complete housing plans that would qualify them for additional help from the Housing Trust Fund.

## Advocates call for policy overhauls

## By Carina Julig

cjulig@sfnewmexican.com

The New Mexico Coalition to End Homelessness and its supporters gathered Friday at the Roundhouse to lobby state lawmakers, encouraging them to back policies that would help decrease the numbers of homeless people without criminalizing them.

In a session dominated by discussions on guns, crime and money, housing issues have also risen to the top for some legislators, who fear the potential effects of a lack of affordable housing on public safety and economic development.
"Housing is the greatest social program we have in this state," said state Rep. Andrea Romero, D-Santa Fe , who is sponsoring a bill in the House of Representatives to prevent housing discrimination on the basis of income.

Romero was the face of a campaign in support of the city of Santa Fe's ballot measure seeking a $3 \%$ excise tax on home sales over $\$ 1$ million, which passed with nearly three-quarters of the vote in November.

Among the participants at a coalition news conference in the rotunda Friday were several members of Santa Fe's Lived Experience Advisory Board, an advisory group whose members are or have been homeless.

The board has advocated in support of the city's safe outdoor space pilot program, the home sales excise tax to support affordable housing and the ongoing conversion of the Lamplighter Inn into an affordable housing complex.

Members of the board wanted to participate in the lobby day to show "housing is a human right," said board treasurer Lila Casey.
"We have a saying at the Lived Experience Advisory Board, and that is 'nothing about us without us,' " Casey said to applause at the news conference.

The sentiment was echoed by Sen. Carrie Hamblen, D-Las Cruces. A former president of the Mesilla Valley Community of Hope board, Hamblen said it's important legislators listen to
people doing the groundwork to end homelessness to ensure policies support that work.

Everyone is "one catastrophic event away from being homeless," she said.

Coalition Executive Director Monet Silva said New Mexico needs a comprehensive strategy to end homelessness, including major funding for prevention efforts and affordable housing initiatives.
"Some of the bills being introduced don't work," she said. She was referring largely to a proposal by Gov. Michelle Lujan Grisham to crack down on panhandling, which several speakers

Friday derided as an attempt to criminalize homeless people.

Silva said legislation the coalition is supporting in this session includes Senate Bill 7, which would appropriate $\$ 500$ million to a statewide housing trust fund; Senate Bill 31, which would appropriate $\$ 500,000$ for the Affordable Housing Act; and House Bill 25 , which would prohibit housing discrimination based on a renter or buyer's source of income. The group also is lobbying for an influx of state money to prevent evictions.
"Homelessness is all of us, and we must take bold action to address these issues," Silva said.

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LUIS STANCHEZ SATURNOOTHE NEW MEXICAN
Monet Silva, executive director of the New Mexico Coalition to End Homelessness, speaks to Sen. Harold Pope, D-Albuquerque, about Senate Bill 166, which would create a Homeless Reduction Division, after a news conference Friday at the Capitol.


## Merilee Dannemann

Guest columnist

## Affordable housing is not affordable enough

If you want to buy your first home in New Mexico, and you are of low to moderate income, you probably should not count on buying a new one.

According to one of the state's leading experts, New Mexico builders cannot build a house today for less than $\$ 250,000$. A person of modest means can't afford that. A person who can afford that amount makes too high an income to qualify for help from the agencies that are set up to provide that help.

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Contact Merilee Dannemann through www.triplespacedagain.com.

## House budget wrangles record revenue again

## Experts warn boom won't last much longer

## By PATRICK LOHMIANN, AUSTIN FISHER, MEGAN TAROS and DANIELLE PROKOP Source New Mexico

A statewide spending plan umveiled Monday by House lawmakers recommends the smallest increase in spending in several years, its drafters acknowledging that the oil and gas boom that has filled and overfilled New Mexico coffers in recent years could soon dry up.
The House Appropriations and Finance Committee approved the budget by a vote of 13-3, overcoming "no" votes by members concerned about the amount to be spent on road repairs and legisla-
tive staff salaries. It will soon be considered by the full House.

The committee's recommended general fund budget is $\$ 10.18$ billion, an increase of $\$ 621$ million, or 6.5 percent, over last year. It's less than the $\$ 10.5$ billion Gov. Michelle Lujan Grisham wants to spend in the next fiscal year, but
slightly more than what the nonpartisan Legislative Finance Committee recommended.
What the budget represents, according to Committee Chair Nathan Small, a Las Cruces Democrat, is an effort to wisely spend the projected $\$ 3.4$ billion budget surplus while also limiting spending growth to prevent sharper cuts in the future. He touted it as the product of hum-
dreds of hours of work and the most transparent budget process in history, thanks to the amount of public comments the committee solicited in recent months.
"We've chosen to do that all
in this public forum, which has meant a longer time, more questions. I think it also reflects in a much better budget that we see here today," Small told commit-
tee members. "I think we can be confident that we are spreading our surplus in a responsible way. making sure that not only core functions, but the things that are going to grow, diversify, and set our economy and our education system up for success are there in a very strong way."

BUDGET Page 14

## Budget...

## From Page 1

In three of the last five years, lawmakers increased the state's operating budget more than 10 percent.

But budget surpluses like this year's, driven largely by oil and gas taxes and royalties, are projected to plateau beginning next year and decrease over the next decade, according to state economists.

LFC Director Charles Sallee cautioned lawmakers to consider that plateau this year, even though the state isn't yet feeling the squecze of any expected reductions in oil and gas revenues. Those projected revenues, plus recent legislation and
other global economic forces, mean lawmakers could soon have to make harder choices on where to spend taxpayer money.
Some time soon, Sallee told lawmakers, a responsible state budget will only grow by $\$ 250$ million a year. The House committee's budget makes good use of record revenues while also acknowledging billion-dollar surpluses may soon be a thing of the past, he said.
"And the more that you spend today, whether through tax code changes or through the recurring budget, the faster that date moves up," he said. "This 6.5 percent increase keeps that date at bay."
Even with just a 6.5 percent increase, Small touted the budget as the biggest-ever investment in health care in the state, and Sallee said the House's spending plan strategically invests in three-year pilot programs for state programs to allow them to be evaluated before requiring bigger spending commitments. The budget also provides for a raise between 2 percent and 4 percent for all state workers.
Below are more details about how the House committee wants to fund nine important functions of state goverument.

## Health

Under the House plam,

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the state would spend about $\$ 13.2$ billion in recurring money each year on health care, along with more than $\$ 206$ million in one-lime spending called "special appropriations."
That figure includes the budgets for the newly created Health Care Authority, the Department of Health, the Retiree Health Care Authority, the Office of the Superintendent of Insurance, the Vocational Rehabilitation Division of the Public Education Department, the Miners' Hospital of New Mexico, the Workers' Compensation Administration, the Medical Board, the Board of Nursing and the

## Governor's Commission on Disability.

The House's budget for health agencies is about $\$ 17,000$ larger than the LFC's recommendation, but $\$ 250,000$ smaller than Lujan Grisham's.

## Prisons

Prisons would get \$372.8 million each ycar, along with $\$ 16.2$ million in special appropriations.
That includes spending for the New Mexico Corrections Department, the juvenile justice facilities rum by the Children, Youth and Families Department, the Sentencing Commission and the Parole Board.
The House budget for the Corrections Department is the same as LFC's proposal but nearly $\$ 21$ million smaller than Lujan Grisham's.

## Courts

Overall, the House budget for the state's judicial branch is $\$ 5.8$ million larger than the proposal from the Legislative Finance Committee, but about $\$ 11,000$ smaller than Lujan Grisham's.

The courts would receive $\$ 294.7$ million annually, along with more than \$26 million in special appropriations.
That includes every district court in the state, the Bernalillo Metropolitan Court, the Court of Appeals, the Supreme Court, the New Mexico Compilation Commission and the Judicial Standards Commission.

## Policing

The House budget for public safety is $\$ 2$ million larger than the LFC suggestion, and $\$ 25,000$ smaller than Lujan Grisham's.
Police and military would get $\$ 240.3$ million each year, and more than $\$ 29$ million in special appropriations.
That includes the Department of Public Safety, the Department of Military Affairs and the Office of Military Base Planning and Support.

## Prosecution

Prosecutors would receive $\$ 147.8$ million every year, and about $\$ 14.4$ million in special appropriations.
That includes all 14 district attorneys' offices across the state, the Administrative Office of the District Attorneys and the New Mexico Department of Justice.

## Legal defense

Public defenders and
family advocates would get $\$ 87.2$ million each year, along with nearly $\$ 2.6$ million in special appropriations.

That includes the Law Offices of the Public Defender and the Office of Family Representation and Advocacy.

## Housing Trust Fund

The four parties who have so far recommended spending to address New Mexico's housing crisis have offered four very different numbers for how much that will cost.
Sen. Nancy Rodrigucz, a Democrat from Santa Fe, is asking lawmakers to deposit $\$ 500$ million in the state's Housing Affordability Trust Fund, overseen by the New Mexico Mortgage Tinance Aulionity. She doesn't expect the Legislature to ultimately fulfill that request, but she said the trust fund has proven itself effective with a litthe more than $\$ 60$ million it has received over the last 17 years.
The trust fund uses public money to support an array of government, nonprofit and private entities with developing affordable housing complexes, helping first-time buyers afford down payments and other programs. Officials claim the program has a 16 -to-1 return on investment.
Lujan Grisham is asking the Legislature to put $\$ 250$ million in the fand.
But the House appropriations committee budget

Publication Date: 01/31/2024 Page Number: 001
Title: House budget wrangles record revenue again
Author: By PATRICK LOHMANN, AUSTIN FISHER, MEGAN TAROS and DANIELLE PROKOP Source New Me Size : 138 Inches Sq Silver City,NM Circulation: 8972
Keywords: Housing Trust Fund $\sim$ Mortgage Finance Authority $\sim$ New Mexico Mortgage Finance Authority $\sim$ W
asks for $\$ 44.5$ million for the fund, which is even less than the LFC's $\$ 50$ million recommendation.

## Education

The newly-released House education budget largely reflects the Legislative Finance Committee's recommendations, bucking some of Lujan Grisham's proposals.

Among notable absences is the governor's proposed literacy institute, for which she requested $\$ 30$ million to build. The Legislative Finance Committce recommended $\$ 3$ million for planning and design.
The House budget recommends the following investments in line with both House and Senate Education Committee priorities:

- \$49 million for literacy, career technical cducation and community school programs.
- $\$ 14$ million in carly literacy support.
- $\$ 55$ million for culturally relevant and bilingual materials.
- $\$ 62.7$ million for 2 percent salary increases, bringing all school personnel up to $\$ 15$ per hour.
- $\$ 43$ million to expand early childhood care,
- $\$ 750,000$ to support adult literacy programs.
- \$2 million for attendance programs.
The budget proposal states a school district's operational budget will not be approved if there are fewer instruction days compared to last year or if they are only in session four days per week. Both align with a pro-
posed mandatory 180-day attendance rule, which has drawn criticism from rural and tribal leaders.

Lujan Grisham also asked for $\$ 58.1$ million for structured literacy programs, which she announced at a press briefing two days into the session. The House budget would grant more toward carly literacy programs than the Legislative Finance Committee proposed.
"The sad issue is that New Mexico has waited a litule too long to robustly take the science of reading and make it universal," Lujan Grisham said. "Most of the educators in this room have been navigating it on their own for so long."

## Natural resources

Lavmakers are poised to raise funding for staffing state environmental agencies, and fund significant one-time programs for pollution accountability, "forever chemical" mitigation and developing a surface water and groundwater permitting program.

In total, House Appropriations and Finance recommended a $\$ 201$ million total budget for the New Mexico Environment Department, smaller than the $\$ 215$ million ask from the governor.
The 19 percent increase will go toward staff salaries and rental costs, and help "bolster" the agency's regulatory responsibilities, according to the budget summary.
In one-time appropriations, House lawmakers
agreed to give the Environment Department \$1 million for pollution accountability, \$1 million to "develop and implement initiatives that protect the public" from perand polyfluorinated alkyl substances - also known as "Torever chemicals."
The surface water discharge permitting program is getting a boost. State officials raised concerns over the vulnerability of New Mexico's waters after the U.S. Supreme Court last year changed what constitutes pollution-protected waters.
In addition to carrying over $\$ 680,000$ from last year and accepting the executive's ask for another $\$ 600,000$, lawmakers added $\$ 7$ million from the water quality management fund to develop and implement state surface water and groundwater permitting programs.
State lawmakers increased the Energy, Minerals and Natural Resources Department budget by 12 percent to $\$ 188$ million. That's smaller than the governor's \$198 million request.

In one-time money, the House committee allocated $\$ 250,000$ for legal counsel, $\$ 1,7$ million to match federal funds, an additional \$2.5
million to address inspection and compliance backlogs in the oil conservation division and $\$ 225,000$ to create a Rio Grande trail commission office,
Lawmakers approved another $\$ 10$ million for a contract to provide low-in-

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Keywords: Housing Trust Fund ~ Mortgage Finance Authority ~ New Mexico Mortgage Finance Authority ~ W
terest loans for low-meome communities for wind, solar, weatherization and geothermal energy intended to reduce carbon emissions.
There's another \$5 million for geothermal projects - half for a loan fund, and the other $\$ 2.5$ million for development - contingent on several pieces of legislation passing.

For the New Mexico Office of the State Engineer, the House Appropriations and Finance Committec followed the LFC recommendation of \$49.5 million, just under the $\$ 50$ million request from the executive request. The agency requested a flat budget for most of its programming, but asked for $\$ 3.4$ million for 38 more staff to implement and negotiate water nghts. The Legislative Frnance Committee recommended a $\$ 2.2$ million increase from the general fund.

Some one-time funds include $\$ 20$ million over the next two years to settle water rights disputes with

## Advertisements



MFAs overall fiscal impact in 202s

| frimotirer | Funding Pruvided | Outobilie |
| :---: | :---: | :---: |
| Cues Mas Hisedey | \$10,341.000 | $285$ <br>  |
| Drewerve shel Ingpeve Luietise Athimboile <br>  | \$116.219,000 | 1.577 <br> Gieer U. Fivelisent hiswont e fithombint |
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Visit housingnm.org for a list of home rehabilitation service providers in Now Mexico.

We are Housing New Mexico.

HousingNM.org


> MFA offers UP TO $\$ 35,000$ in down payment and closing cost assistance for workforce housing in New Mexico, depending on the borrower's qualifications.
> In fiscal year 2023, MFA provided $\$ 388,294,000$ in combined first mortgage and down payment assistance in the amount of 3,352 loans to 1,845 New Mexico families, which included $\$ 12,301,805$ for down payment assistance in the form of 1,807 loans and grants.
> MFA's HOME Rehabilitation Program provides accessibility modifications and repairs to bring homes up to code for homeowners who lack the resources to do so.
> In 2023, MFA provided over $\$ 2.2$ million in funding to rehabilitate 26 homes in the state.

We are Housing New Mexico.



The Real Estate Book

HOUS§NG
NEW MEXICO MFA

# Providing affordable mortgage loans and down payment assistance to homebuyers throughout New Mexico. 



Housing New Mexico
New Mexico Mortgage Finance Authority
505.843 .6880 800.444.6880 housingnm.org

## New Mexico Bankers Digest



Our vislon Is that all New Mexicans will have quality affordable housing opportunitles.
MFA offers up to $\$ 35,000$ in down payment and closing cost assistance for workforce housing in New Mexico, depending on the borrower's qualifications.

MFA's overall impact in fiscal year 2023:

| Initiatives | Funding Provided | Outcome |
| :---: | :---: | :---: |
| Create More Housing | \$10,341,000 | $\begin{aligned} & 285 \\ & \text { Now Homes Constructed } \end{aligned}$ |
| Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment | \$116,219,000 | $\begin{aligned} & 1,577 \\ & \text { Homes Weatherized. } \\ & \text { Rehabilitated Preserved. } \\ & \text { or Redeveloped } \end{aligned}$ |
| Build Homeownership and Wealth | \$388,294,000 | $\begin{aligned} & 3,352 \\ & \text { Loasa for Firat Mortgage } \\ & \text { and Down Payment } \\ & \text { Aasistanee to } 1.845 \text { fomilies } \end{aligned}$ |
|  | \$24,145,000 | $2,925$ <br> Househoulds Received Mortpage Ansistance |
| Create Stable Housing Environments | \$39,796,000 | 5,843 <br> Househalds Recelved Housing Vouchers |
|  | \$7,002,000 | $6.488$ <br> Hossing Statility and Homeless Shelter Services |
| TOTAL FUNDING ADMINISTERED | \$585,797,000 | $\begin{aligned} & \text { Hovesholds Served } \end{aligned}$ |
|  |  | $\begin{aligned} & 3,707 \\ & \text { Homes Produced. Financed } \\ & \text { or Preserved } \end{aligned}$ |



## Google

## Google Ads

Find Down Payment Assistance | Help for your
Affordable Homes | Find Affordable Homes First Home | Albuquerque Down Payment Help Ad www.housingnm.org

MFA provides down payment assistance and competitive interest rate mortgage loans. Contact New Mexico Mortgage Finance Authority today for help purchasing your home
View Current Rates
Mortgage Programs
Homebuyer Resources
Mortgage Calculators
in NM | Affordable Housing Programs
Ad www.housingnm.org/Homes/Affordable

New Mexico MFA Can Help You Find Affordable Homes \& Apartments. Let MFA Help You Today. Ask New Mexico MFAAbout Income Qualification, Rental Rates \& Availability
Emergency Shelter
Homelessness Assistance
Tribal Housing
Lenders And REALTORS®

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i New Mexico Mortgage Finance Authority
https://housingnm.org , down-payment-assistance :
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## Mortgage Programs | Homebuyers | New Mexico MFA

MFA's mortgage programs provide homebuyers with down payment and closing cost assistance as well as competitive interest-rate mortgage loans.
Current Rates - Income and purchase price limits • Participating Lender List

## Google ads January report:

- Phone calls from ads: 88
- Phone calls from website: 397
- Contact form submissions: 158
- Subscription: 1

January 4


January 25


New Mexico Society of CPAs E-Newsletter


Outreach


January 10
Gallup Business Improvement District Meeting

January 12
Southeastern New Mexico Economic Development District Meeting

January 16-18
New Mexico Counties Legislative Conference

January 24
Economic Forum Meeting (Greater Albuquerque Association of REALTORS)

January 25
Housing Roundhouse in Valencia County with Congresswoman Melanie Stansbury

January 29
Santa Fe Chamber of Commerce 2024 Legislative Reception


## Social Media

Facebook and Twitter: @MFAhousingNM
Instagram: @MFAhousing
YouTube: @housingNM
LinkedIn: MFA Housing New Mexico
January Calendar


## Cross channel Report

January 1st 2024 - January 31st 2024

## Cross-Channel Impressions



## Cross-Channel Engagements



## Cross-Channel Audience Growth



## Post Performance

f MFA Housing New Mexico


MFA Housing New Mexi... Jan 17, 2024 3:00 PM

MFA will offer direct home rehabilitation services through

(0) MFA Housing New Mexico


MFA Housing New Mexi... Jan 12, 2024 12:00 PM

MFA's Board of Directors
approved the FirstDown Plus
New Mexico Housing Trust Fund
for new FirstDown Plus down
payment assistance loan program


MFA Housing New Mexico

## ̂̂ MFA Housing New Mexi... Jan 9, 20248:00 AM

"The rehabilitation of vacant and abandoned houses will also help


MFA Housing New Mexi... Jan 12, 2024 12:00 PM

MFA's Board of Directors approved the FirstDown Plus MFA allocates $\$ 5.5$ mulion rrom New Mexico Housing Trust Fund for new FirstDown Plus down payment assistance loan program


MFA Housing New Mexi... Jan 16, 2024 12:00 PM

MFA's Board of Directors
approved three service providers


| Clicks | Reactions | Comments |
| :--- | :--- | :--- |
| 12 | 19 | 3 |
| Shares | Reach | Impressions |
| 6 | 552 | 559 |



## î MFA Housing New Mexi... Jan 12, 2024 12:00 PM

MFA's Board of Directors approved the FirstDown Plus
[FA allocates $\$ 5.5$ million from lew Mexico Housing Trust Fund or new FirstDown Plus down ayment assistance loan program

in MFA Housing New Mexico

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MFA Housing New Mexi...
Jan 12, 2024 12:00 PM
MFA's Board of Directors approved the FirstDown Plus
IFA allocates $\$ 5.5$ million from lew Mexico Housing Trust Fund or new FirstDown Plus down ayment assistance loan program


## Quarterly Report to the MFA Board of Directors Q1 FY2024

| Production Statistics | Current Quarter | Same Quarter Last Year | Fiscal Year to Date |
| :---: | :---: | :---: | :---: |
| Homeownership |  |  |  |
| Number of loans reserved | 440 | 310 | 440 |
| Amount of loans reserved | \$102,456,322 | \$62,617,296 | \$102,456,322 |
| Number of loans purchased | 580 | 394 | 580 |
| Amount of loans purchased | \$132,889,825 | \$78,260,498 | \$132,889,825 |
| Number of homebuyers counseled | 756 | 322 | 756 |
| Number of lenders/REALTORS contacted | 1,094 | 1,423 | 1,094 |
| Housing Development |  |  |  |
| Amount of MF loans/grants/bonds | \$13,700,000 | \$0 | \$13,700,000 |
| Amount of SF loans/grants | \$0 | \$0 | \$0 |
| Amount of TC: LIHTC (MF) \& State (MF \& SF) | \$6,830,384 | \$4,707,431 | \$6,830,384 |
| Number of MF units | 321 | 298 | 321 |
| Number of SF units | 6 | 0 | 6 |
| Housing Rehab \& Weatherization |  |  |  |
| Amount of rehab expenditures | \$427,920 | \$216,172 | \$427,920 |
| Number of units rehabilitated | 10 | 6 | 10 |
| Amount of NM Energy\$mart expenditures | \$4,152,500 | \$2,738,054 | \$4,152,500 |
| Number of units weatherized | 389 | 226 | 389 |
| Shelter \& Supportive Housing Programs |  |  |  |
| Amount of shelter supportive service | \$509,554 | \$937,772 | \$509,554 |
| Number of persons served | 1,033 | 1,128 | 1,033 |
| Amount of rental assistance | \$1,769,376 | \$1,485,598 | \$1,769,376 |
| Number of persons assisted | 686 | 275 | 686 |



The need for MFA mortgage products:

MFA borrowers have an average annual income of $\$ 67,852$ and purchase homes with an average price of $\$ 242,401$. 22.47 percent are single-parent households; 57.98 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 75.34 percent of its borrowers. Without these programs, many borrowers could not buy a home.


Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

43 percent of renters are cost-burdened, about half pay between 30 percent and 49 percent of their income on rent; the other half pay more than 50 percent.

2 - HOPWA, Linkages, , RAP \& YHDP


The need for housing rehabilitation and weatherization:

New Mexico has aging housing stock. 58.7 percent of its homes were built between 1960-1990; only 25.5 percent were built after 2000. The average age of homes in NM is 40 years. The median year in which the 937,397 housing units in NM were built is 1983.

Many low-income homeowners are at risk because of health and safety hazards in their homes. They pay high utility bills because they cannot afford to make energy-efficiency improvements.


## The Need for

Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that a total of 19,000 to 20,000 New Mexicans experience homelessness in a year.

The pandemic has increased the number of people experiencing homelessness.

While many people resolve their housing crisis on their own or with existing help, 6,500 people per year do not.

Solutions:

Provide housing assistance to those experiencing homeless and to those most at risk of homelessness

Create Permanent Supportive Housing which provides affordable housing assistance with voluntary support services

Coordinated Entry provides equitable access to housing resources and services for those experiencing homelessness

## Quarterly Report to the MFA Board of Directors Q1 FY2024

| Servicing | Current <br> Quarter | Same <br> Quarter Last <br> Year | Target Rate |
| :--- | :---: | :---: | :---: |
| First Mortgage Direct Servicing Delinquency Rate | 12.00 | 0.00 |  |
| Partners Program delinquency rate | 14.00 | 10.91 |  |
| DPA loan delinquency rate | 8.52 | 9.04 |  |
| Multifamily loan delinquency rate | 2.33 | 2.38 |  |
| Combined delinquency rate - Current Month | 8.52 | 8.95 |  |
| Combined average delinquency rate-FY | 9.10 | 9.01 | 9.50 |
| Default rate (writeoffs/foreclosure losses) | 0.15 | 0.14 | 1.30 |
| Master Servicing MBS delinquency rate | 10.88 | 10.49 |  |
| REO Inventory - of loans | 0 | 0 |  |
| REO Inventory - Exposure | $\$ 0$ | $\$ 0$ |  |


| Monitoring | Current <br> Quarter | Year to <br> Date | Fiscal Year <br> Monitoring <br> Required |
| :--- | :---: | :---: | :---: |
| Asset Management | 0 | 0 |  |
| Number of properties monitored | 0 | 0 | N/A |
| Number of units inspected | 0 | 0 | N/A |
| Number of files reviewed | 0 | 0 | N/A |
| Number of PBCA activities |  |  |  |
| Community Development |  |  |  |
| Number of required monitorings ${ }^{3}$ | 19 | 42 | 53 |

3 - based on program year, 7/1-6/30


Monitors 296 properties and 20,101 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 85 properties and 5,209 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.


## MFA's Community

Development
Department:

Manages fourteen programs with multipl different funding sources, and approximately 48 partners across the state. Our partners deliver housing services to more than 7,800 individuals and receive approximately $\$ 58$ million in funding. Monitoring is performed on a regular basis to ensure program compliance.


Provides direct servicing for over 15,800 loans with a principal balance over $\$ 333$ million. Direct Servicing first mortgage delinquency is 12.00 percent. Many of the loans MFA services are for internal programs that target higher risk borrowers.

MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer with delinquency of 12.18 percent.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 3.75 percent for all loans in New Mexico and 8.04 percent for FHA in New Mexico as of 09/30/2023.

As of $10 / 2023$, the FHA Delinquency on new purchases was 11.97 percent.


[^0]:    * Issuer fee run at 150\% PSA

[^1]:    Data Source: S\&P Global Ipreo

[^2]:    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

[^3]:    *FY 24 represents those returns from 10/1/2023-12/31/2023 and are thus subject to change.

[^4]:    Catny Cookis anows reporter for the Albuquerque Journal. Reach her viaemall at ccook@abqjournal. com.

[^5]:    Ryan Boetel is the business editor for the Albuquerque Journal. He can be reached at 505-823-3960 orrboetel@abqjournal. com

