

MFA Housing New Mexico MFA November Board of Directors Meeting November 20, 2024 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 10/16/24 Board Meeting Minutes Board Action
- Executive Director Updates

Board Action Items

(Action Required)

Consent Agenda

- 1 MFA Weatherization Program Internal Audit Executive Summary (Robyn Powell & Jackie Nutima) YES
- 2 Bi-Annual Compliance Activities Report (Robyn Powell & Jackie Nutima) NO
- 3 Freddie Mac Certificate of Incumbency 2024 (Jeff Payne) YES

Contracted Services/Credit Committee

- 4 2024 Annual Action Plan Substantial Amendment (Sonja Unrau & Robyn Powell) YES
- 5 Government Relations Request for Proposal Outcome (Robyn Powell) NO
- 6 7Tierra Linda Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & Tim Martinez) YES
- 7 HOME Rehab NOFA Revisions- (Leann McDonald & John Garcia) YES

Finance Committee

- 8 Financial Statements Review Unaudited 9/30/24 (Arundhati Bose) YES
- 9 HOME funds status update- (Donna Maestas-DeVries & George Maestas) NO

Other

- 10 Strategic Plan 2024 Benchmarks Closeout
 (Jeff Payne, Donna Maestas-Devries & Arundhati Bose) YES
- 11 Quarterly Marketing Summary Report- (Kristie Garcia) NO
- 12 2025 Legislative Agenda- (Robyn Powell) YES

Closed Session

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

• Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meeting Act: Discuss Executive Director Performance and Compensation Review (Chair Reyes)

Open Session

14 (Motion and affirmative vote are required to open the meeting) Executive Director Performance and Compensation Review (Chair Reyes) YES

Other Board Items

Information Only

- 15 (Staff is available for questions)
 - Staff Action Requiring Notice to Board
 - Quarterly Multifamily Pipeline Report

Monthly Reports

No Action Required

- 16 (Staff is available for questions)
 - New Mexico Housing Trust Fund Update

Quarterly Reports

No Action Required

- 17 (Staff is available for questions)
 - Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- ➤ November 21,2024 Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ December 10, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ December 18, 2024 Wednesday 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ January 7, 2025 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ January 15, 2025 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ February 11, 2025 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ February 19, 2025 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)



NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting

7425 Jefferson St. NE Albuquerque, NM Wednesday, November 20, 2024- 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 10/16/24 Board Meeting Minutes Board Action
- Executive Director Updates

Board Action Items Action Required

Consent Agenda

1	MFA Weatherization Program Internal Audit Executive Summary – (Robyn Powell & Jackie Nutima)	YES
2	Bi-Annual Compliance Activities Report – (Robyn Powell & Jackie Nutima)	NO
3	Freddie Mac Certificate of Incumbency 2024 – (Jeff Payne)	YES

Contracted Services/Credit Committee

4	2024 Annual Action Plan Substantial Amendment – (Sonja Unrau & Robyn Powell)	YES
5	Government Relations Request for Proposal Outcome – (Robyn Powell)	NO
6	Tierra Linda Apartments – New Mexico Housing Trust Fund Loan Request – (Justin Carmona & Tim Martin	nez) YES
7	HOME Rehab NOFA Revisions- (Leann McDonald & John Garcia)	YES

Finance Committee

8	Financial Statements Review Unaudited – 9/30/24 – (Arundhati Bose)	YES
9	HOME funds status update- (Donna Maestas-De Vries & George Maestas)	NO

Other

<u> </u>	v.	
10	Strategic Plan 2024 Benchmarks Closeout- (Jeff Payne, Donna Maestas-Devries & Arundhati Bose)	YES
11	Quarterly Marketing Summary Report- (Kristie Garcia)	NO
12	2025 Legislative Agenda – (Robyn Powell)	YES

Closed Session

(Motion and affirmative vote are required to close the meeting)

13 Executive Session- Limited Personnel Matters

YES

• Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meeting Act: Discuss Executive Director Performance and Compensation Review (Chair Reyes)

Open Session

(Motion and affirmative vote are required to open the meeting)

14 Executive Director Performance and Compensation Review (Chair Reyes)

YES

Other Board Items Information Only

15 (Staff is available for questions)

Staff Action Required Notice to Board



Quarterly Multifamily Construction Pipeline Report

Monthly Reports Non-Action Required

16 (Staff is available for questions)

New Mexico Housing Trust Fund Update

Quarterly Reports Non-Action Required

17 (Staff is available for questions)

Quarterly Board Report

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- Executive Director Updates

Board Action Items Action Required

Consent Agenda

- 1 MFA Weatherization Program Internal Audit Executive Summary (Robyn Powell & Jackie Nutima)- The Weatherization Program Internal Audit was completed in the last quarter of FY2024. There were no findings or recommendations as a result of the audit. Staff was commended on the programmatic and accounting procedures in place.
- 2 Bi-Annual Compliance Activities Report (Robyn Powell & Jackie Nutima) The activities described in this report are intended to provide the Board of Directors with assurance that Housing NM is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by Housing NM and mitigating risk related to the single-family mortgage lending and servicing functions, including contracted activities. There was no significant compliance concerns identified during the reporting period.
- 3 Freddie Mac Certificate of Incumbency 2024 (Jeff Payne) Freddie Mac Certificate of Incumbency was updated with the authorized signatories. This is a standard form that gets updated on a regular cadence.

Contracted Services/Credit Committee

- **4 2024 Annual Action Plan Substantial Amendment (Sonja Unrau & Robyn Powell) -** Staff recommend Board of Directors' approval of the Substantial Amendment to the 2024 Annual Action Plan.
- **5** Government Relations Request for Proposal Outcome (Robyn Powell) Proposals were not received under the Government Relations Request for Proposals and staff is unable to recommend any awards.
- 6 Tierra Linda Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & Tim Martinez) A \$3,000,000 NMHTF loan request for Tierra Linda Apartments, located in Albuquerque, New Mexico. Tierra Linda Apartments is a proposed New Construction multifamily project that will create 240 one-, two-, three-, and four-bedroom units for households with children. All 240 units will be income restricted to households earning 60% or less of AMI.
- 7 HOME Rehab NOFA Revisions (Leann McDonald & John Garcia) Staff requests approval of all summarized changes to the HOME Rehab NOFA. By lifting territory restrictions, more New Mexicans can be assisted, and current wait times of several years in some areas, can be decreased. By removing the cap per project, more projects will be approved, and more housing throughout the state will have long-term sustainability. By increasing the internal hard cost cap, per home, to \$165,000 we will be able to meet the rising cost for materials and labor. This will also assist in the backlog of HOME funding that needs to be spent. We believe that these changes will create a streamlined process, and by implementing these changes, we will avoid items that have previously caused delay and denial of projects.

Finance Committee

8 Financial Statements Review Unaudited – 9/30/24 (Arundhati Bose) – ongoing.



9 HOME funds status update (Donna Maestas-DeVries & Arundhati Bose) - Due to the COVID 19 pandemic both Housing NM's HOME programs; Rehab and development gap funding, were put on hold for a couple of years. This created a high balance of unspent funds. At the same time, Housing NM continued to receive the annual allocations from HUD and program income from past projects, which further increased the balance. Staff will implement the program changes to increase per home rehab limits and the rental development loan limits to expediate the project commitments and spending. Staff are considering new program ideas that are being researched. We believe that most of the funds will be committed in this program year, we plan to monitor progress, while continuing to evaluate new programs for implementation in the event the existing programs experience any delays.

Other

- 10 Strategic Plan 2024 Benchmarks Closeout (Jeff Payne, Donna Maestas-Devries & Arundhati Bose) Staff met or exceeded 30 of 31 benchmarks. Staff recommend the approval of the Strategic Plan Benchmarks Closeout for fiscal year 2024.
- 11 Quarterly Marketing Summary Report (Kristie Garcia) The quarterly marketing and communications presentation consists of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts.
- **12 2025 Legislative Agenda (Robyn Powell)** MFA's legislative oversight committee endorsed bill 229115.3 and 229114.1 on November 14, 2024. Staff is seeking Board approval of same.

Closed Session

(Motion and affirmative vote are required to close the meeting)

13 Executive Session-Limited Personnel Matters

YES

■ Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meeting Act: Discuss Executive Director Performance and Compensation Review (Chair Reves)

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14 Executive Director Performance and Compensation Review (Chair Reves)

YES

Other Board Items Information Only

15 (Staff is available for questions)

- Staff Action Required Notice to Board
- Quarterly Multifamily Construction Pipeline Report

Monthly Reports Non-Action Required

16 (Staff is available for questions)

New Mexico Housing Trust Fund Update

Quarterly Reports Non-Action Required

17 (Staff is available for questions)

Quarterly Board Report

Announcements and Adjournment

Discussion Only

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NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Minutes 7425 Jefferson St. NE Albuquerque, NM 87109 Wednesday, October 16, 2024, at 9:30 a.m.

Chair Angel Reyes convened the meeting on October 16, 2024, at 9:40 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, Derek Valdo, State Treasurer Laura M. Montoya, Julie Ann Meade (designee for Attorney General Raúl Torrez), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Rebecca Wurzburger and Randy Traynor. Absent: none. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed Board members, guests, and staff. He informed everyone that the meeting is being recorded, referring to microphone sensitivity.

Oath of Office Randy Traynor- Chair Reyes administered the oath of office to Randy Traynor who has been appointed to the Housing NM/MFA Board by the Honorable Governor Michelle Lujan Grisham.

Approval of Agenda – Board Action. Motion to approve the October 16, 2024, Board agenda as presented: Wurzburger. Seconded by Valdo. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Designee Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.

Approval of 9/18/2024 Board Meeting Minutes – Board Action. Motion to approve the September 18, 2024, Board Meeting Minutes as presented: Wurzburger. Seconded by C'de Baca. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- abstain, Proxy Martina C'de Baca- yes, Designee Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 6-0-1.

Hernandez welcomed Board Members to the new Housing New Mexico/MFA building and thanked them for their continued support. He then provided his Executive Director updates: **Program Updates**: Subserving portfolio: \$2.60Bil/15,492 Loans. MFA (GOV) Int. 5.75%/ Mkt: 6.375% (10/7/24). **Significant meetings/presentations**: 9/23: Moved into Housing NM Office- 7425 Jefferson St. NE. 9/25: Farolito Senior Community Groundbreaking. 10/04: FHLB Native American Housing Opportunities (NAHO) Awards. 10/09: 2024 G/H Kickoff Mtg. 10/10: Peachtree Canyon Groundbreaking (144 Family units). 10/10: Las Cruces Listening Session. **Upcoming Meetings**: 10/17: LIHTC Fundamental Training. 10/17: Carlsbad- Infrastructure and Housing Panel. 10/23: QAP Training. 10/24: LFC Presentation. 10/30: Weatherization Day. 11/13: Santa Fe Listening Session. 11/14: Legislative Oversight Committee #5- Draft Leg., Rules and Regs. 11/14: Albuquerque Listening Session. Hernandez then discussed production data and provided a New Mexico Housing Trust Fund Update.

Finance Committee

1 2025 Qualified Allocation Plan (Jeanne Redondo & Jacobo Martinez) — Redondo began her presentation proposing changes to the 2025 QAP, which will continue to improve the allocation process and is revised annually. Housing New Mexico/MFA staff held a "Developers Forum" focus group prior to beginning draft revisions on June 18 and 19, 2024. Then presented a list of proposed changes to the Policy Committee and Finance Committee for discussion. A draft QAP was then composed and posted on Housing New Mexico/MFA's website and notices were published in at least three newspapers of general circulation. This posting and publication mark the beginning of a 21-day public comment period during which a public hearing was held. After the public comment period concluded, a final QAP was composed and presented to the Policy Committee, Finance Committee and now to the Board of Directors for approval. After Board approval, the QAP will be sent to the Governor for final approval. Redondo stated this year staff focused on ways to reduce the time it takes for projects to be placed in service. The proposed revisions add fees to incentivize applicants to submit fully compliant applications, so additional reviews that add processing time are not needed. In addition, applicants financing with tax-exempt bonds are encouraged to include permit ready drawings and specifications with the application, so the time from receipt of bond allocation to begin construction is reduced. There were several changes to the QAP which can be found in the board packet under Tab 1. All ideas and comments were carefully considered. A lengthy discussion ensued regarding the changes and

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processes to QAP. Motion to approve 2025 Qualified Allocation Plan as presented: Wurzburger. Seconded by C'de Baca. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca-yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0

Contracted Services/Credit Committee

- 2 Cresta Ranch New Mexico Housing Trust Fund Loan Request (Justin Carmona, Tim Martinez & George Maestas)- Carmona began his presentation requesting a \$4,000,000 NMHTF loan request for Cresta Ranch, located near Santa Fe, New Mexico. Cresta Ranch is a proposed new construction multifamily project that will create 240 two- and three-bedroom units for households with children. Six units will be income restricted to households earning 80% or less of Area Median Income (AMI). Ten units will be income restricted to households earning 70% or less of AMI. 216 units will be income restricted to households earning 60% or less of AMI. The final eight units will be income restricted to households earning 30% or less of AMI. Motion to approve Cresta Ranch- New Mexico Housing Trust Fund Loan Request as presented: Wurzburger. Seconded by Valdo. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.
- HOME-American Rescue Plan NOFA Approval (Mike Fuller & Shannon Tilseth)- Fuller began his presentation requesting approval of the HOME-American Rescue Plan Supportive Services Rapid Rehousing and Homeless Prevention NOFA. Upon board approval, the NOFA will be released to the public via the Housing New Mexico|MFA website on October 22, 2024. The NOFA will remain open until September 30, 2029, or until funding falls below \$500,000. The program is available to qualified populations (Homeless, At-Risk of Homelessness, Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, and Other Populations) as outlined in CPD Notice 21-10. Individuals and families must also meet the income requirements and lack the support and resources necessary to regain stability. All Offeror's must also meet the minimum threshold criteria that is outlined in Section 23 of the NOFA. Funding for new HOME-ARP Supportive Services Housing New Mexico MFA subrecipients will be capped at \$100,000.00 initially. Successful subrecipients will be allowed to request additional funding once they have expended 75% of the grant or \$75,000.00.00. Only subrecipients who show evidence through monitoring that they are proficient in understanding the eligibility requirements of the program and are not on a corrective action plan will be allowed to request additional funds beyond the initial \$100,000.00. The staff is also requesting approval of all new subrecipients to be granted at the Policy Committee level according to the Delegations of Authority. Motion to approve HOME- American Rescue Plan NOFA approval as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.
- 2022/2027 BIL DOE State Plan Modification DOA #21- State Plan Approval and allocation of DOE Funds (Troy Cucchiara) – Cucchiara began his presentation recommending approval of a modification of the BIL DOE State Plan to allow for an additional \$2M of Sustainable Energy Resource for Consumers (SERC) funding. The SERC funding will be used to provide two energy efficiency technologies not covered under the existing program: Air Source Heat Pumps (ASHPs) (including mini splits when not allowed under WAP) and solar panels (including new electrical panels or materials to support solar energy). Eligible households are those whose homes have been previously weatherized but have not received SERC measures, along with homes receiving weatherization measures for the first time. Applicants must meet all program eligibility requirements spelled out in our existing State Plan. To achieve these aims, Housing New Mexico | MFA will implement the proposed project in partnership with Central New Mexico Housing Corporation (CNMHC), a current weatherization subrecipient. At least 85 single-family sitebuilt and mobile homes will be completed, some of which rely exclusively on electric energy, meaning measures such as air source heat pumps will have a cost-saving effect that solar panel installation will further enhance. Motion to approve 2022/2027 BIL DOE State Plan Modification DOA #21- State Plan Approval and allocation of DOE Funds as presented: State Treasurer Laura M. Montoya. Seconded by Valdo. Vote: Angel Reyes- yes, Derek Valdoyes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.

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Other

- 5 2024 E/F Post Close Analysis (Arundhati Bose) Bose began her presentation providing a summary of the 2024 Series E/F transaction which is a new money bond issue which priced on July 16, 2024, and closed on August 20, 2024. Non-Action item.
- 6 Northern Regional Housing Authority Commissioner Appointment Recommendation (John Garcia) Garcia began his presentation recommending approval to forward the nomination of Dr. Barbara A. Perea Casey to the Governor's boards and commissions office for consideration as a commissioner for the Northern Regional Housing Authority. The credentials of Dr. Casey were discussed along with several questions from the Board to Dr. Casey regarding background and experience. Motion to table Northern Regional Housing Authority Commissioner Appointment Recommendation. State Treasurer Laura M. Montoya. Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburgerno, Randy Traynor- yes. Vote: 6-1.

Other Board Items
Information Only

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

Monthly Reports- Non-Action Required

- 8 There were no questions asked of staff.
 - Marketing & Communications Monthly Update
 - 8/31/24 Financial Statements
 - New Mexico Housing Trust Fund Update

Announcements and Adjournment- Confirmation of upcoming Board Meetings. Hernandez will give Board members a tour of the new building following the board meeting.

There being no further business the meeting was adjourned at 12:23 p.m.

Approved:	
Chair, Angel Reyes	Secretary, Isidoro Hernandez



EXECUTIVE SUMMARY

New Mexico Mortgage Finance Authority

WEATHERIZATION ASSISTANCE PROGRAM INTERNAL AUDIT

August 28, 2024

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



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EXECUTIVE SUMMARY

Moss Adams LLP (Moss Adams) was engaged by the New Mexico Mortgage Finance Authority (MFA) to conduct an internal audit of MFA's Weatherization Assistance Program (WAP). Our internal audit aimed to evaluate the program's compliance with specific grant and MFA requirements. Our methodology included a review of grant agreements, internal policies, program documentation, and prior monitoring results. We also conducted interviews with MFA staff responsible for program administration. Our testing procedures involved examining samples to test for participant eligibility and the allowability and documentation of costs. Additionally, we reviewed MFA's monitoring procedures for service providers and the adequacy of the documentation supporting these monitoring activities. We assessed the timeliness of required quarterly reporting as well. The internal audit was conducted between June and August 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.

OBJECTIVES

Our initial focus was on assessing MFA's WAP compliance for fiscal year 2024 (October 1, 2023 through September 30, 2024). However, since the internal audit began in July, we could only evaluate activities through June 30, 2024, except for subrecipient monitoring, which occurs from July to September 2024. Therefore, we opted to review subrecipient monitoring for fiscal year 2023 to ensure comprehensive compliance testing. We conducted testing on a total of 30 expenses to assess allowability and compliance with select program requirements, ten program participants to determine whether they were properly evaluated for program eligibility requirements and whether all required documentation was properly obtained. Additionally, we assessed whether MFA completed the required quarterly Department of Energy (DOE) F 540.3 performance reports.

CONCLUSIONS

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

COMMENDATIONS

Although the focus of this internal audit was to identify areas of non-compliance and opportunities for improvement for MFA, it is important to note the areas that are operating well. Based on the samples tested during this internal audit. MFA should be commended for the following accomplishments:

 All program costs tested met the allowability requirements and followed the MFA processes. If costs were allocated, the allocation methodology appeared reasonable and properly supported.

- All participants tested met the program eligibility requirements and MFA maintained appropriate documentation to support the eligibility determinations.
- MFA completed all elements of its subrecipient monitoring processes.
- All required reporting was completed within the required timeframes.

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 program nuances relative to the applicable requirements.





MEMO

TO: Housing New Mexico Board of Directors

Through: Contracted Services, November 12, 2024 **Through:** Policy Committee, October 29, 2024

FROM: Robyn Powell, Sr. Director of Policy and Planning

Jackie Nutima, Compliance Manager

DATE: November 20, 2024

SUBJECT: Biannual Compliance Activity Report for April – October 2024

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

Background:

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

Discussion:

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

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Vendor Management

Vendor management and oversight is an ongoing function within the compliance management system and is conducted according to the underlying vendor management policy. Staff identifies vendors who provide services to Housing NM which are subject to regulation and oversight by the Consumer Financial Protection Bureau (CFPB), or any entity contracted to provide services that would cause Housing NM to face risk if the vendor or service provider fails to meet contractual obligations, regulatory requirements, or engages in activities that could adversely impact Housing NM consumers.

Vendors are evaluated for inherent risk, compliance systems and controls, and business performance. This evaluation is completed by the compliance manager, in cooperation with appropriate department directors. All consumers facing or interfacing vendors are placed on a schedule based on their risk assessment. The most recent vendor reviews did not identify any vendors with critical weaknesses which present a significant risk of violating the law and causing consumer harm.

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

Risk Ratings:

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

Vendor Review:

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

The compliance manager reviews several types of documents from Vendors, including but not limited to

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

Company	Function	Risk Rating
ANM	Network Management service provider	High
HDS	Asset Management software	Low
Mitas	Software provider for direct servicing	High
Idaho Housing and	Contracted for single-family mortgage	
Financing	origination quality control, loan processing	
Association (IHFA)	and subservicer	High
	Business process management and quality	
Metasource	control	Medium
Virpack	Document management software	Medium
ASC Powerlender		
/IBT	Single-family mortgage origination software	High
Reliable Field		
Services	Property inspection provider	High
GoSecure	Infrastructure Patch Management	Low
Ivanti	Cybersecurity Platform/Penetration testing	High
Paymentus	Servicing Pay Portal	High

Subservicing Oversight

Staff continue to monitor service level performance to ensure our contracted sub-servicer provider, Idaho Housing and Finance Association (IHFA), maintains regulatory compliance,

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that staffing levels support Housing NM needs and that controls over data integrity are in place.

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

The monthly agenda includes a review of several key metrics including foreclosure and delinquency trends. Housing NM continues to see delinquency rates increase in the subserviced portfolio due to the current economic trend and seasonal portfolio trends.

The September 2024 delinquency rate is 12.02% and the seriously delinquent rate is 3.18%. See Chart 1 – Subserviced Portfolio Delinquency Trends on the second to last page of this report.

For the 2023 loan file review, Housing NM asked Moss Adams to review payment defaults, delinquent loans, loss mitigation and foreclosures processes. There was only one issue where the need for process improvement was warranted and that is in the area of timely inspections. Since that time IHFA has been re-reviewed by Fannie Mae and the finding has been resolved through the implementation of process improvement.

Loan Quality Control

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

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

The post-purchase review includes, but is not limited, to the following				
New Mexico Mortgage Finance Authority				

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

Issues related to the loan file are classified as minor, moderate or serious defects. The table below represents the Housing NM loan origination defect trend data of cases with serious exceptions (defects). The Gross Defect Rate includes all preliminary serious exceptions, and the Net Defect Rate represents only unresolved, serious exceptions. According to Housing NM's Quality Control plan, the Net Defect Rate should be 4% or less for serious and moderate findings in a reporting month. As you can see, MFA's Net Defect rate remains under the 4.0% threshold.

MFA Defect Trend Report – July 2024 - Random QC

Defect Tre	nd Report	Target Defect Rate 4.0%			
Audit Month	Loans Reviewed	Gross Defect	Gross Defect Rate	Net Defect	Net Defect Rate
Aug 2023	7	4	57,1%	0	0,0%
Sep 2023	4	0	0,0%	0	0,0%
Oct 2023	5	0	0.0%	0	0.0%
Nov 2023	7	0	0.0%	0	0.0%
Dec 2023	8	1	12.5%	0	0.0%
Jan 2024	8	2	25.0%	1	12,5%
Feb 2024	4	1	25.0%	1	25.0%
Mar 2024	7	1	14.3%	0	0.0%
Apr 2024	8	1	12.5%	0	0.0%
May 2024	9	2	22,2%	0	0,0%
Jun 2024	7	0	0.0%	0	0.0%
Jul 2024	7	3	42.9%	1	14.3%
TOTAL	81	15	18,5%	3	3,7%

Regulatory and Legal Compliance

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

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During this reporting period, no significant regulatory announcements were issued that impacted Housing NM's operational environment or that of IHFA.

Training

Housing NM is required to conduct an annual fraud training for all employees. This training is typically completed in the first quarter, annually, and provided by our contracted internal audit provider. This training is currently in the planning stage. Additionally, all Housing NM staff are required to participate and complete ongoing, comprehensive security and fraud awareness training that is provided through the Information Security department. If an employee fails to complete this training timely, their access is restricted until the training is complete.

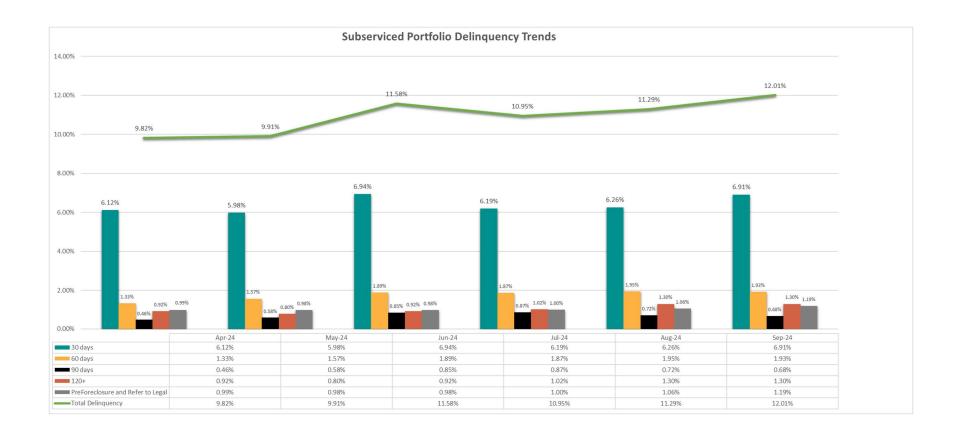
Consumer complaints

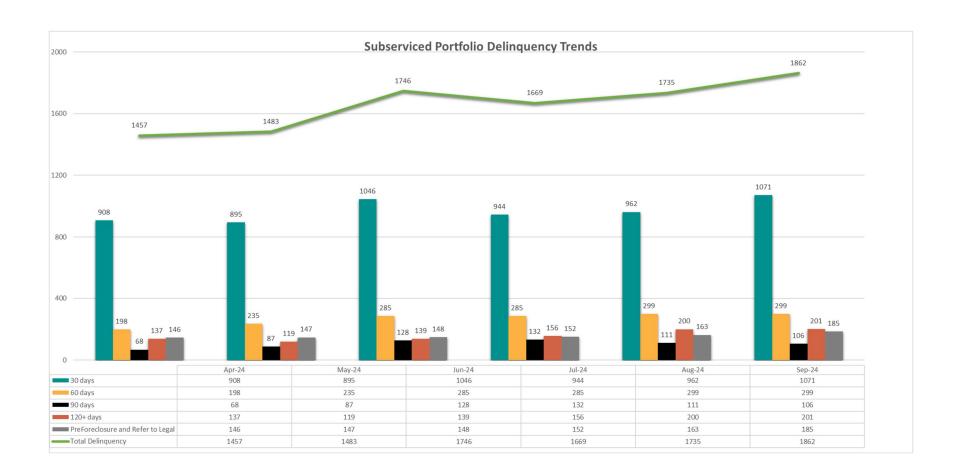
Tracking, investigating, and responding to consumer complaints is a function of the Compliance Management System. When a consumer complaint is received, it will be routed to the appropriate department for follow-up and resolution. Often times, a complaint is received but is not under Housing NM's jurisdiction. All efforts are made to direct the consumer to the correct organization and/or resources. No consumer complaints were received during the current reporting cycle.

Summary:

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

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







Form 988SF - HFA

Certificate of Incumbency for Housing Finance Agency

Ι, _	Isidoro Hemandez	, do hereby certify to the Federal Home Loan M	fortgage Corporation ("Freddie Mac")				
		_, do hereby certify to the Federal Home Loan M [select one]: [O] Board Chair, [O] Executive D					
C	Other	of New Mexico Mortgage Finance Authority med by the HFA to execute and deliver this Certification.	("Housing Finance				
		ted by the HFA to execute and deliver this Certificity or agency empowered by a State, county, or lo					
		low- to moderate-income Borrowers and first-ting					
		and existing under the laws of New Mexico					
	llows:	and existing ander the laws of New Mexico	I futulet certify us				
1.	Body") of the HFA dated 11/20/24 by name and title in Paragraph 2 below instructions and modifications to previ House (ACH), or other Freddie Mac de HFA (such instructions and modifications as set forth in Paragraph 7 below, all in	of a resolution of the Board of Directors or other (the "Resolution") that authorizes and ("Authorized Employees") to individually and sous instructions to transfer funds (cash or securit esignated transfer system in connection with the sons, "Wire Instructions"), and (b) Administrators a connection with the sale of residential home load Resolution is in full force and effect and has not	empowers the HFA's (a) employees listed singularly provide Freddie Mac with ies) by wire transfer, Automated Clearing sale of Mortgages to Freddie Mac by the set of grant access to Authorized Employees in Mortgages to and/or the Servicing of				
2.	The Authorized Employees identified below: (a) hold the titles with the HFA set forth across from their names, (b) are duly authorized to execute any and all paper Records (as defined in and subject to the Requirements of Paragraph 4) required by Freddie Mac to effectuate the authority set forth in Paragraph 1 above by affixing such employee's original handwritten signatures to such paper Records, or attaching their Electronic Signatures to or logically associated it with (including copies or representations of an Authorized Employee's original written signature or Electronic Signature) to Records (including Electronic Records), (b) deliver such duly signed Records (including any Electronic Records) to Freddie Mac, and (c) effectuate funds transfers via Loan Selling Advisor®.						
	Seller/Servicer must identify, at a minimum, three authorized employees. If only two are listed, Seller/Servicer acknowledges processing delays may occur as well as returned funds.						
	Prior to initiating payments to a Sell confirm authenticity and thereby red	er/Servicer, a callback is performed on wire inducing risk.	nstruction setups and modifications to				
-	Name: Title: Signature:						
Isidoro Hernandez Executive Director/CEO							
H			-				
	Telephone:	Email Address:					
1	505-767-2275	ihernandez@housingnm.org					
Name: Title: Signature:		Signature:					
	Arundhati Bose	Chief Financial Officer					

Email Address:

Email Address:

Title:

abose@housingnm.org

Chief Lending Officer

jpayne@housingnm.org

Telephone:

Telephone:

Name: Jeff Payne

505-767-2273

505-767-2270

Signature:

Name: Donna Maestas-DeVries	Title: Chief Housing Officer	Signature:
Telephone: 505-767-2225	Email Address: dmaestas-devries@housingnm.org	
Name: Joseph McIntyre	Title: Controller	Signature:
Telephone: 505-767-2231	Email Address: jmcintyre@housingnm.org	
Name:	Title:	Signature:
Telephone:	Email Address:	

- 3. The specimen signature set forth across from each Authorized Employee's name and title in Paragraph 2 is: (a) the true and genuine handwritten signature of each such Authorized Employee or (b) an Electronic copy or representation of the true and genuine handwritten signature (the "Electronic Signature") of each such Authorized Employee.
- 4. As used in this Certificate of Incumbency, (a) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) "Record" means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) "Electronic Record" means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) "Electronic Signature" means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) "Electronic Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means. For the avoidance of doubt, only an Electronic Signature that is appended to this Form 988SF-HFA in the signer's handwriting by means of an electronic stylus or an electronic image of the signer's handwritten ink signature on paper is acceptable to Freddie Mac. Generic digitized, font-based Electronic Signatures generated by electronic signing platforms are not acceptable.
- 5. Freddie Mac may conclusively rely on the accuracy, genuineness, good faith, validity, effectiveness, and enforceability of any paper Record or Electronic Record provided to Freddie Mac, (a) bearing the handwritten signature or Electronic Signature of an Authorized Employee, and (b) roles delegated to Authorized Employees by Administrators. Seller/Servicer's failure to adhere to the aforementioned requirements may result in postponement of funding date as well as Freddie Mac exercising remedies under Section 3601.1 of the Guide.
- 6. Each of the HFA's Authorized Employees is authorized and empowered to engage in and conduct Electronic Transactions to provide Freddie Mac, individually and singularly, with Wire Instructions and HFA hereby consents to such Electronic Transactions.
- 7. The Resolution, attached as Exhibit A, also authorizes and empowers Seller/Servicer's identified Administrators, to grant access to Authorized Employees with the External Seller Setup Manager role within Loan Selling Advisor. Any Authorized Employee designated as an External Seller Setup Manager has the ability to effect funds transfers via Loan Selling Advisor. HFA acknowledges its obligation and duty of its Administrators to ensure each Authorized User (a) is aware of his or her responsibility and entitlement to fulfill Wire Instructions for funding transactions in Loan Selling Advisor, and, (b) as is the case generally for all Authorized Users, maintains Authentication Credentials in confidence.
- 8. By signing this form, HFA authorizes Freddie Mac to initiate debit/credit entries from the designated depository financial institution. HFA and Freddie Mac agree and acknowledge that their ACH transactions will comply with all applicable laws and the rules and terms of the National Automated Clearing House Association (NACHA) and Uniform Commercial Code 4A: Funds Transfer (UCC4A).
- 9. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Freddie Mac Single-Family Seller/Servicer Guide.

- 10. Seller/Servicer acknowledges and agrees that: (1) Freddie Mac will maintain Wire Instructions for a period of two years. Wire Instructions that have been inactive for more than two years will be considered expired and new Wire Instructions will be required, and (2) Freddie Mac will maintain ACH Instructions for a period of two years. ACH Instructions in which the combination of the ABA routing number and the bank account number have been inactive for more than two years will be considered expired and new ACH Instructions will be required.
- 11. The information set forth in this Certificate of Incumbency is true and correct, and Freddie Mac may conclusively rely upon it and any addendum or Resolution attached hereto (or logically associated herewith) that is delivered by the HFA to Freddie Mac. This document replaces and supersedes any prior authorization and will remain in effect and fully binding on the Seller/Servicer for the next two years or until such earlier time as a written notice to the contrary is delivered or Seller/Servicer delivers a Certificate of Incumbency that Freddie Mac accepts as a replacement.

I acknowledge, agree, and certify that: (i) I am duly authorized to execute this Form 988SF-HFA and (ii) the HFA's delivery and Freddie Mac's receipt of a paper or Electronic copy of this Form 988SF-HFA, with a copy or representation of my original handwritten signature affixed hereto or my Electronic Signature attached hereto or logically associated herewith, is as valid, effective, and enforceable as if the HFA had delivered a paper Form 988SF-HFA with my original handwritten signature affixed thereto.

IN WITNESS WHEREOF, I have subscribed my name this	day of	. 20
IN WITNESS WHEREOF, I have subscribed my hame uns_	uay oi	, 20
New Mexico Mortgage Finance Authority		
(Type/Print) HFA Legal Name	-	
By:		
(Signer's Signature)		
Signer's Name: Isidoro Hernandez		
(Type/Print)		
Signer's Title: Executive Directo/CEO		
(Type/Print)		

	Notary Acknowledgment		
State of)			
County of)			
The foregoing instrument was acknowledg	ed before me, a Notary Public, on t	his day of	, 20, by
Isidoro Hernandez	of	New Mexico Mortgage Financ	e Authority
(Signer's Full Name)	(Signer's Title) of	(HFA's Legal Name)	 -
Notary Public Signature:			
Notary Public Printed Name:			
		(NOTARY SEAL)	
		Please shade in raised notary	
Commission Expires://		for visibility with pencil or cra	yon
Notary Public State Registration Number:			

See Form 988SF-HFA Completion Instructions on the next page, and retain a copy of the final submission for your records.

Form 988SF - HFA Completion Instructions:

This Form 988SF-HFA must be completed, signed, notarized, and delivered to Freddie Mac with a copy of the HFA's Resolution authorizing certain HFA employees to give Freddie Mac Wire Instructions, as defined above. Consult legal counsel when completing this Form.

1. Opening Paragraph:

- Type/print the full name of HFA's "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title), as applicable, on the first line of the opening unnumbered paragraph of the Form 988SF-HFA: the person must be authorized by the HFA to execute and deliver the Form 988SF-HFA to Freddie Mac.
- Type/print an "X" in the applicable box preceding the title of the employee signing the Form 988SF-HFA. The signer must have one of these titles: "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title).
- Type/print the HFA's legal name and the name of the State and, as appropriate, county or municipality under which the HFA is organized and exists.2. **Paragraph 1:** Enter the date that the Board of Directors adopted the Resolution.
- 2. **Paragraph 1:** Type/print the date that the Governing Body adopted or passed the Resolution. The resolution must be adopted or passed and in effect prior to the execution of Form 988SF-HFA.
- 3. **Paragraph 2**: Type/print the name, title, telephone number and e-mail address of each Authorized Employee and (a) have each such "Authorized Employee" sign in the space titled "Signature" or (b) include a copy or representation of such employee's original handwritten signature. To designate more than six Authorized Employees, please contact Freddie Mac for instructions.

4. Execution:

- Type/print the date that the Form 988SF-HFA is signed.
- Type/print the HFA's legal name on the line above the signature line.
- The signer must sign with pen and ink on the signature line immediately below the HFA's typed/printed name.
- Type/print the full name of the signer of the Form 988SF-HFA, on the line below the signature line.
- Type/print the title of: "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title), as applicable, on the line below the typed/printed name of the signer of the Form 988SF-HFA.
- 5. Notarization: The notary acknowledgment language may be changed to comply with applicable law.
 - Type/print the name of the State and county in which the Notary Public is commissioned at the top left of the Notary Acknowledgment.
 - Type/print the date that the signer signs or acknowledges signing before the Notary Public.
 - Type/print the full name and title of the signer and the HFA's legal name on the lines below the signature line.
 - The Notary Public must sign and type/print his/her full name, commission expiration date, and registration or commission number, as applicable, and place the notary seal on the Form 988SF-HFA.

Email as a PDF to counterparty authorization@freddiemac.com

FORM OF RESOLUTION: EXHIBIT A

Re	esolution of the	Board of Directors (Board of Directors/Name of Governing Body)	of	New Mexico Mortgage Finance Authority (HFA'S Legal Name)	
DA	ATE: 11/20/24	<u>—</u>			
	WHEREAS, the Board of Directors [Board of Directors/Name of Governing Body] of New Mexico Mortgage Finance Authority [HFA's Legal Name] is adopting the following resolution to delegate authority to certain of its employees by title (or by name and title) to:				
1.	1. Provide instructions, and modifications to previously provided instructions, to the Federal Home Loan Mortgage Corporation ("Freddie Mac") to transfer funds (cash or securities) in connection with the sales of mortgages to and/or servicing of mortgages for Freddie Mac by wire transfer, ACH, or other funds transfer system expressly approved and designated by Freddie Mac (such instructions and modifications, "Wire Instructions").				
2.	. Act as Administrators authorized and empowered to grant access, including through Freddie Mac Access Manager, to Authorized Employees, including such employees they designate to have the External Seller Set Up Manager role in Loan Selling Advisor so that such Authorized Employees can submit Wire Instructions through Loan Selling Advisor.				
pe	rson, an "Authorized	BE IT RESOLVED, that the employees with to d Employee") are duly authorized and empowe connection with the sale of mortgages to and/or to the sale of mortgages to and the sale of mortgages to the sale of	ered to provid	e, individually and singularly, Freddie Mac with	
Αι	uthorized Employe	es (by title or name and title):			
- 1	Name: Isidoro Hernandez		Title: Executive	Director/CEO	
- 1	Name: Arundhati Bose		Title: Chief Fina	ncial Officer	
	Name: Jeff Payne		Title: Chief Lend	ling Officer	
- 1	Name: Donna Maestas-De	eVries	Title: Chief Hous	sing Officer	
	Name: Joseph McIntyre		Title: Controller		
	Name:		Title:		
en Se	npowered by the Boa	BE IT RESOLVED, that the employees identiard of Directors individually and singularly to grole within Loan Selling Advisor.			
	Name:		Title: Chief Lend	ing Officer	
	Name:		Title:	Secondary Market	
Ī	Name:		Title:		

Director of Servicing

Secondary Market Supervisor

Title:

Name:

Name:	Title: Quality Assurance Specialist
Name:	Title:

BE IT FURTHER RESOLVED, that, as used in this Resolution, (a) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) "Record" means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) "Electronic Record" means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) "Electronic Signature" means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) "Electronic Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means.

BE IT FURTHER RESOLVED, that each Authorized Employee is duly authorized individually and singularly to: (a) execute any and all paper Records and Electronic Records required by Freddie Mac to effectuate the authority set forth in this Resolution by: (i) affixing their original written signature to Records, (ii) attaching their Electronic Signature to or logically associating their Electronic Signature with Electronic Records that contain or communicate instructions (or modified instructions) to transfer funds (cash or securities) by wire transfer, ACH or other funds transfer system expressly approved by and designated by Freddie Mac, and (b) deliver any and all executed paper Records and Electronic Records to Freddie Mac as required.

BE IT FURTHER RESOLVED, that the Authorized Employees are duly authorized and empowered to singularly and individually engage in and conduct Electronic Transactions with Freddie Mac and use electronic means, electronic systems, Electronic Records, and Electronic Signatures on behalf of New Mexico Mortgage Finance Authority [HFA's Legal Name] to effectuate the authority set forth in this Resolution.

BE IT FURTHER RESOLVED, that any and all actions set forth herein taken by any Authorized Employee and/or Administrator on behalf of _____New Mexico Mortgage Finance Authority [HFA's Legal Name] are hereby ratified, approved, and confirmed.

Instructions: Freddie Mac Model Form of Resolution for Housing Finance Authorities (HFAs)

Consult with legal counsel regarding this Resolution. To use a different form of Resolution or to make changes to comply with laws, regulations, or otherwise, send a copy of the proposal for review to Freddie Mac at **counterparty_authorization@freddiemac.com**. Please insert:

- 1. The name of the HFA's governing body, such as Board of Directors
- 2. The HFA's legal name (examples: ABC Housing Finance Agency or XYZ Housing Finance Agency)
- 3. The date the Resolution was adopted or passed by the HFA's governing body
- 4. The Authorized Employees' titles or names and titles in the blank lines provided

Add "Exhibit A" at the top of the certified copy of the Resolution that you deliver to Freddie Mac.



HOUSING NEW MEXICO/ MORTGAGE FINANCE AUTHORITY

Contracted Services/Credit Committee Meeting Tuesday, November 12, 2024 @ 10:00 am

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

	AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1	MFA Weatherization Program Internal Audit Executive Summary and Final Report – Robyn Powell & Jackie Nutima	10:00-10:10	3-0	YES
2	Bi-Annual Compliance Activities Report – Robyn Powell & Jackie Nutima	10:10-10:20	3-2	YES
3	Government Relations Request for Proposal Outcome – Robyn Powell	10:20-10:30	3-8	YES
4	Tierra Linda Apartments – New Mexico Housing Trust Fund Loan Request – Justin Carmona & Tim Martinez	10:30-10:40	3-0	YES
5	2024 Annual Action Plan Substantial Amendment – Sonja Unrau & Robyn Powell	10:40-10:50	3-8	YES
6	HOME Rehab NOFA revisions Leann McDonald & John Garcia	10:50-11:00	3-0	YES
<u>Inf</u> 7	Formational Items Questions/comments from Committee	11:00- 11:10	V	NO

Committee Members present: Rebecca Wurzburger, Chair	□ present	□ absent	☐ conference call
Attorney General Raul Torrez/Designee Julie Ann Meade	□ present	□ absent	conference call
Randy Traynor	□ present	☐ absent	conference call

Howarder





TO: Housing New Mexico Board of Directors

Through: Contracted Services Committee on November 12, 2024

Through: Policy Committee and November 5, 2024

FROM: Sonja Unrau, Assistant Director of Policy & Planning

DATE: November 20, 2024

SUBJECT: 2024 Action Plan Substantial Amendment

ATTACHMENT: 2024 Action Plan Substantial Amendment

Recommendation:

Staff recommend Board of Directors' approval of the Substantial Amendment to the 2024 Annual Action Plan.

Background:

The 2024 Annual Action Plan was approved by Housing New Mexico's Board of Directors and the Department of Finance and Administration's Community Development Council in April 2024. An Annual Action Plan is a HUD requirement and provides a summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and goals identified by the Consolidated Plan.

Substantial amendments are modifications to an Annual Action Plan that involve either the addition of a covered project, a change in program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of more than 10% of grant funds. This substantial amendment involves a change in program benefits, addition of activities, and the allocation of additional funding.

Discussion:

This Substantial Amendment proposes changes to HOME allocations, HOME rental development and homeowner rehabilitation award limits, and incorporates revised National Housing Trust Fund design standards. The specific changes are as follows:

Section	Change
AP-15	HOME Prior Year Resources increased to \$10,831,653 from \$0.00.
Expected	HOME Total increased to \$20,104,107 from \$9,272,454.
Resources -	
91.320(c)(1,2)	

_	
AP-20 Annual Goals and Objectives –	Added Goal 2A: Rehabilitate Owner Occupied Housing with \$4,132,472 in funding and 20 homeowner housing units rehabilitated as the outcome indicator.
91.320(c)(3)&(e)	Added Goal 2B. Increase Homeownership Opportunities with \$1,000,000 in funding and 7 homeowner housing units added as the outcome indicator.
	Increased funding amount for Goal 2C. Develop Affordable Rental Housing to \$13,544,161 from \$9,272,454.
AP-25 Allocation Priorities – 91.320(d)	Revised the allocations of funding as follows: • Goal 2A: Rehabilitate Owner- Occupied Housing to 22% from 0% • Goal 2B: Increase Homeownership Opportunities to 5% from 6% • Goal 2C. Develop Affordable Rental Housing to 73% from 100%.
AP-30 Methods of Distribution - 91.320(d)&(k)	Incorporated the following language HOME Rental Development program description:
- 71.320(u)&(k)	HOME Rental activities may give preference to a particular segment of the extremely low- or very. Any limitation or preference must not violate nondiscrimination requirements in 24 CFR 92.253, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 24 CFR 92.253 only if such limitation or preference is described in the action plan. Low-income population to serve any unmet need as identified in its Consolidated Plan and/or Annual Action Plan. HOME Rental Development funding applicants are permitted to limit occupancy to or provide preference to the following populations:
	 Households or individuals experiencing homelessness; Individuals with disabilities; Individuals with severe mental illnesses; Individuals with alcohol or other addictions; Individuals with HIV/AIDS; Victims of domestic violence; Senior housing; Veterans; Individuals on public housing waiting lists; Youth transitioning out of foster care; and Ex-offenders.
	Revised the HOME Rental Development threshold factors, and grant size limits as follows:
	9% Low Income Housing Tax Credit Projects
	 Removed per unit limit Increased limits for CHDO projects to lesser of \$1,250,000 or 80% of total development cost from lesser of \$1,000,000 or 80% of total development cost. Increased limits for non-CHDO projects to lesser of \$500,000 or 80% of total development cost from lesser of \$400,000 or 80% of total development cost.
	All Other Projects

	 Increased limits for CHDO projects to lesser of \$1,250,000 or 80% of total development cost from lesser of \$1,000,000 or 80% of total development cost. Increased limits for non-CHDO projects to lesser of \$1,000,000 or 80% of total development cost from lesser of \$800,000 or 80% of total development cost. Changed the HOME "threshold factors, and grant size limits" for homeowner rehabilitation to adhere to the HUD HOME per unit limits with individual projects approved for funding that does not exceed \$200,000 from \$85,000
AP-55 Affordable Housing - 24 CFR 91.320(g)	per unit. Increased the one-year goals for the number of households supported through "Production of New Units" to 19 from 12, through "Rehabilitation of Existing Units" to 23 from 13, and the total to 42 from 25.

Summary:

Staff recommend Board of Directors' approval of the Substantial Amendment to the 2024 Annual Action Plan.

Proposed Substantial Amendment to the New Mexico 2024 Annual Action Plan Amended Plan Sections:

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

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

AP-25 Allocation Priorities – 91.320(d)

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

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

Within these sections, the amendments are indicated in <u>track changes</u>.



DRAFT

2024 Annual Action Plan

New Mexico Mortgage Finance Authority

and

New Mexico Department of Finance and Administration







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

Phone: 505-767-2250

Instate Toll Free: 1-800-444-6880

Fax: 505-243-3289

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

TTY: 800-659-8331

Voice: 800-659-1779

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

Mobile Caption Service: 800-855-8111

Speech-to-Speech: 888-659-3952

Spanish: 800-327-1857

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

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)	2
PR-05 Lead & Responsible Agencies - 91.300(b)	6
AP-10 Consultation - 91.110, 91.300(b); 91.315(l)	8
AP-12 Participation - 91.115, 91.300(c)	1
AP-15 Expected Resources – 91.320(c)(1,2)	4
AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)	13
AP-25 Allocation Priorities – 91.320(d)	16
AP-30 Methods of Distribution – 91.320(d)&(k)	19
AP-35 Projects – (Optional)	33
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AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)	36
AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)	37
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AP-55 Affordable Housing – 24 CFR 91.320(g)	40
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AP-85 Other Actions – 91.320(j)	52
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AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

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

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers communities the opportunity to shape these housing and community development programs into effective and coordinated neighborhood and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort. The term "entitlement area" refers to cities and counties that, because of size, are able to receive federal funding directly. These areas must complete a Consolidated Plan separately from the State's to receive funding. For purposes of this report, non-entitlement refers to cities and towns that do not file Consolidated Plans individually and are not able to receive funding from HUD programs directly. Entitlement areas receiving funding not covered by the New Mexico Consolidated Plan are City of Albuquerque, City of Las Cruces, City of Santa Fe, City of Farmington and City of Rio Rancho. Individuals wishing to contribute to the consolidated planning process in these areas should contact housing and community development specialists in these cities.

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

2. Summarize the objectives and outcomes identified in the Plan

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

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

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

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

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

3. Evaluation of past performance

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

MFA's and DFA's evaluations of past performance on CDBG, HOME, ESG, HOPWA and HTF have been completed in annual Consolidated Annual Performance and Evaluation Reports (CAPERs); the most

recent of which was accepted and approved by HUD in December 2023. Each CAPER states the objectives and outcomes identified in each Annual Action Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance.

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

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

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

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

The citizen participation process was conducted with final FY 2023 allocations for CDBG, HOME, HTF, ESG, and HOPWA programs. It is anticipated the allocations will be similar to previous year with the exception of HOME which will be reduced. The final budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts accordingly. This will not require a substantial amendment.

5. Summary of public comments

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

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) held a public comment period on the DRAFT 2024 Annual Action Plan.

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

The notice was published in different newspapers throughout the state to cover Northern, Central, Southern, Western, and Eastern areas of the state to include metro and rural areas in English and Spanish. In addition, the notice and draft document was posted on MFA and DFA websites and available for download in a variety of formats to enhance public outreach and encourage participation. The virtual and in-person public hearing is to allow for enhanced participation for those who can attend based on proximity location or those throughout the state can log in virtually. To further enhance participation MFA accepted written comments by email or mail for those who do not have access to virtual platforms for verbal comments or prefer alternative communication methods.

In attendance were MFA and DFA employees. There were no public participants for the hearing thus no verbal public comments. There was one written comment received during the comment period seeking homeless prevention assistance. MFA would accept any further comments.

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

There was one written comment received seeking housing assistance. MFA accepted the comment and would have accepted any further comments.

7. Summary

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

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

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

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

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

Table 1 - Responsible Agencies

Narrative

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

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

Consolidated Plan Public Contact Information

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

1. Introduction

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

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

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

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

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

Board may make loans and grants from the Colonias Infrastructure Project Fund to qualified entities for projects prioritized by the Board.

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

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

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

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

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

MFA is a member of the governing boards of both CoCs in New Mexico and receives input from CoC staff and member agencies regarding allocation priorities, performance standards and outcome measures for ESG funds.

MFA is a member of the HMIS Governing Committee, which includes representation from NMCEH and several HMIS user agencies. This committee meets quarterly to address all issues related to HMIS

administration in the State and works with the CoCs to: (1) review, revise and approve a privacy plan, security plan and data quality plan for HMIS; (2) ensure consistent participation of recipients and subrecipients in HMIS; and (3) ensure HMIS is administered in compliance with HUD requirements.

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

Table 2 – Agencies, groups, organizations who participated

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

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

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

11	Agency/Group/Organization	WHITE SANDS HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
12	Agency/Group/Organization	New Mexico Department of Finance and Administration
	Agency/Group/Organization Type	Other government - State Planning organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Colonias Set-aside Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
13	Agency/Group/Organization	LOS ALAMOS HOUSING PARTNERSHIP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

14	Agency/Group/Organization	UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
15	Agency/Group/Organization	INDEPENDENT LIVING RESOURCE CENTER
	Agency/Group/Organization Type	Social Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team; requested to distribute surveys, which helped to shape priority needs and strategy
16	Agency/Group/Organization	NEW MEXICO COUNCIL AGAINST DOMESTIC VIOLENCE
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services - Victims Statewide organization
	What section of the Plan was addressed by Consultation?	Housing and supportive services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

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17	Agency/Group/Organization	Catholic Charities
	Agency/Group/Organization Type	Child Welfare Agency
		Statewide Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was	Member of planning team. Requested to distribute survey which
	consulted. What are the anticipated outcomes of the	helped to shape priority needs and strategies.
	consultation or areas for improved coordination?	
18	Agency/Group/Organization	MESILLA VALLEY COMMUNITY OF HOPE
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Supportive Service
	Briefly describe how the Agency/Group/Organization was	Member of planning team. Requested to distribute survey which
	consulted. What are the anticipated outcomes of the	helped to shape priority needs and strategies.
	consultation or areas for improved coordination?	
19	Agency/Group/Organization	APARTMENT ASSOCIATION OF NEW MEXICO
	Agency/Group/Organization Type	Statewide Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
		Market Analysis
		Housing
	Briefly describe how the Agency/Group/Organization was	Member of planning team. Requested to distribute survey which
	consulted. What are the anticipated outcomes of the	helped to shape priority needs and strategies.
	consultation or areas for improved coordination?	

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

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

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25	Agency/Group/Organization	NEW MEXICO ENVIRONMENT DEPARTMENT - WATER PROTECTION DIVISION
	Agency/Group/Organization Type	Agency - Management of Public Land or Water Resources Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.
26	Agency/Group/Organization	NEW MEXICO DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Emergency Management Other government - State
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.
27	Agency/Group/Organization	NM Children Youth and Families Department
	Agency/Group/Organization Type	Services - Housing Services-Children Child Welfare Agency Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working and discussions to confirm priority needs and strategies.
28	Agency/Group/Organization	TIERRA DEL SOL HOUSING CORPORATION
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Colonias Set-aside Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Conducted telephone interview which helped confirm priority needs and strategies.
29	Agency/Group/Organization	New Mexico Department of Health
	Agency/Group/Organization Type	Services-Health Health Agency Child Welfare Agency
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing working discissions and interview which helped confirm priority needs and strategies.
30	Agency/Group/Organization	ConnectNM
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

Briefly describe how the Agency/Group/Organization was	Conducted telephone interview which helped confirm priority needs
consulted. What are the anticipated outcomes of the	and strategies.
consultation or areas for improved coordination?	

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

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

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

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

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

Table 3 – Other local / regional / federal planning efforts

Narrative

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

MFA and DFA recognize that many times, the difference between success and failure in a partnership is in the ability to operate with an effective communication system. In an effort to help organizations develop capacity, MFA and DFA will continue outreach to a variety of agencies and entities involved with housing and community development activities in New Mexico.

AP-12 Participation - 91.115, 91.300(c)

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

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

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In attendance were MFA and DFA employees. There were no public participants for the hearing thus no verbal public comments. There was one written comment received during the comment period seeking homeless prevention assistance. MFA would accept any further comments.

Citizen Participation Outreach

Sort Or der	Mode of Ou treach	Target of Out reach	Summary of response/att endance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non- targeted/broa d community Residents of Public and Assisted Housing	In attendance were MFA and DFA employees. There were no public participants for the hearing thus no comments.	There was one written comment received seeking homeless prevention assistance. MFA would have accepted any comments.	Comment was accepted, in addition, MFA would accept any comments.	
2	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Non- targeted/broa d community	In attendance were MFA and DFA employees. There were no public participants for the hearing thus no comments.	There was one written comment received seeking homeless prevention assistance. MFA would have accepted any comments.	Comment was accepted, in addition, MFA would accept any comments.	

Sort Or der	Mode of Ou treach	Target of Out reach	Summary of response/att endance	Summary of comments re ceived	Summary of co mments not accepted and reasons	URL (If applica ble)
3	Website MFA and DFA	Non-English Speaking - Specify other language: Spanish Non- targeted/broa d community Interested parties	In attendance were MFA and DFA employees. There were no public participants for the hearing thus no comments.	There was one written comment received seeking homeless prevention assistance. MFA would have accepted any comments.	Comment was accepted, in addition, MFA would accept any comments.	

Table 4 – Citizen Participation Outreach

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

Introduction

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

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

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

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

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

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

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

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

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

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

Anticipated Resources

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

Program	Source	Uses of Funds	Uses of Funds Expected Amount Availal	nt Available Year	r 4	Expected	Narrative Description	
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,038,481	0	0	11,038,481	702,216	The State will set aside 10 percent of its regular CDBG allocation for Colonias. Regular CDBG funds are not used on tribal reservations.

Program	Source	Uses of Funds	E	xpected Amou	nt Available Yea	r 4	Expected	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Amount Available Remainder of ConPlan \$	
HOME	public - federal	Admin and Planning Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,009,839	4,262,615	10,831,6530	\$20,104,107 9, 272,454	-5,515,197	Funds may be used statewide.
HOPWA	public - federal	Permanent housing placement Short-Term Rent, Mortgage, and Utility (STRMU) assistance Tenant-Based Rental Assistance (TBRA), Supportive Services	1,410,878	0	0	1,410,878	-172,272	MFA may administer the City of Albuquerque HOPWA allocation under a memorandum of understanding as well, and those funds are used specifically in the City of Albuquerque.

Program	Source	Uses of Funds	E	xpected Amou	nt Available Year	· 4	Expected Amount Available Remainder of ConPlan \$	Narrative Description
	of Funds		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,212,679	0	0	1,212,679	-48,673	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,144,833	4,400	0	3,149,233	-922,940	Funds may be used statewide.

Table 1 - Expected Resources – Priority Table

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

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

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

Match requirements of the HOME program will be met by three primary sources: resources committed by grantees and local governments, proceeds from mortgage revenue bonds, and MFA general fund interest subsidy. Eligible forms of HOME match are documented by MFA and reported to HUD as part of the Consolidated Annual Performance and Evaluation Report (CAPER) each year. MFA requested the use of the HOME program statutory suspensions and/or regulatory waivers available under Section 290 of the Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA), as amended, and those authorized under 24 CFR 5.110.

There is no match requirement for HTF.

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

may be used to address the needs identified in the plan

This section is not applicable.

Discussion

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

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

Goals Summary Information

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

Sort	Goal Name	Start	End	Category	Geographic Area	Needs	Funding	Goal Outcome
Order		Year	Year			Addressed		Indicator
1	1A. Expand &	2020	2024	Non-Housing	Statewide	Expand &	CDBG: \$9,538,481	Public Facility or
	Improve Public			Community		Improve		Infrastructure
	Infrastructure			Development		Public		Activities other
	and Public					Infrastructure		than
	Facilities					& Facilities		Low/Moderate
								Income Housing
								Benefit: 30,000
								Persons Assisted
<u>2</u> 2	2A. Rehabilitate	2023	2024	<u>Affordable</u>	<u>Statewide</u>	Preserve &	HOME: \$4,132,472	<u>Homeowner</u>
	<u>Owner</u>			<u>Housing</u>		<u>Maintain</u>		<u>Housing</u>
	<u>Occupied</u>					<u>Affordable</u>		Rehabilitated:
	<u>Housing</u>					<u>Housing</u>		20 Household
								Housing Units
<u>3</u> 3	2B. Increase	2023	2024	<u>Affordable</u>	<u>Statewide</u>	Preserve &	HOME: \$1,000,000	<u>Homeowner</u>
	<u>Homeownership</u>			<u>Housing</u>		<u>Develop</u>		Housing Added:
	Opportunities					<u>Affordable</u>		7 Household
						<u>Housing</u>		Housing Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop	2020	2024	Affordable	Statewide	Preserve &	HOME: \$13,544,161	Rental units
	Affordable			Housing		Develop		constructed: 12
	Rental Housing					Affordable	HOME: \$9,272,454	Household
	Merical Frodomis					Housing	12/ / 2	Housing Units
								Rental units
								rehabilitated: 13
								Household
								Housing Units
5	2D. Develop	2020	2024	Affordable	Statewide	Preserve &	Housing Trust Fund:	Rental units
	Housing for			Housing		Develop	\$3,149,233	constructed: 7
	Vulnerable					Affordable		Household
	Populations					Housing		Housing Units
								Rental units
								rehabilitated: 8
								Household
								Housing Units
6	3A. Provide	2020	2024	Non-Housing	Statewide	Economic	CDBG: \$1,500,000	Jobs
	Assistance for			Community		Development		created/retained:
	Job Creation			Development		Opportunities		14 Jobs
								Businesses
								assisted: 3
								Businesses
								Assisted

Sort	Goal Name	Start	End	Category	Geographic Area	Needs	Funding	Goal Outcome
Order		Year	Year			Addressed		Indicator
7	4A. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$534,951	Tenant-based
	Assistance to					Assistance for		rental assistance /
	Reduce					Vulnerable		Rapid Rehousing:
	Homelessness					Populations		
								263 Households
								Assisted
								Homelessness
								Prevention: 173
								Persons Assisted
8	4B. Provide	2020	2024	Homeless	Statewide	Housing	ESG: \$677,728	Homeless Person
	Assistance for	2020	2024	Homeless	Statewide	Assistance for	230. 9077,720	Overnight Shelter:
	Shelters					Vulnerable		_
	Sheiters							2,552 Persons Assisted
	40.5	2020	2024		6	Populations	1100144 64 440 070	
9	4C. Provide	2020	2024	Non-	Statewide	Housing	HOPWA: \$1,410,878	Tenant-based
	Assistance to			Homeless		Assistance for		rental assistance /
	Persons w/			Special		Vulnerable		Rapid Rehousing:
	HIV/AIDS			Needs		Populations		116 Households
								Assisted
								Homelessness
								Prevention: 204
								Households
								Assisted

Table 2 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

Funding Allocation Priorities

	1A. Expand & Improve Public Infrastructure & Public Facilities (%)	2A. Rehabilitate Owner- Occupied Housing (%)	2B. Increase Homeownership Opportunities (%)	2C. Develop Affordable Rental Housing (%)	2D. Develop Housing for Vulnerable Populations (%)	3A. Provide Assistance for Job Creation (%)	4A. Provide Assistance to Reduce Homelessness (%)	4B. Provide Assistance for Shelters (%)	4C. Provide Assistance to Persons w/ HIV/AIDS (%)	Colonias Set- Aside (%)	Total (%)
Regular CDBG	76	0	0	0	0	14	0	0	0	10	100
НОМЕ	0	<u>22</u> 0	<u>5</u> 6	<u>73</u> 100	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	0	100	0	100
ESG	0	0	0	0	0	0	48	52	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	100

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

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

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

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

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

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

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

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

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

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

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

Introduction

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

Distribution Methods

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

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

DFA determines areas of CDBG funding based on need, readiness to proceed, uniform grant guidance and other current ranking criteria identified in the CDBG Rules and Regulations (NMAC 2.110.2).

DFA has created a vetting process to ensure that set-aside funds for economic development and housing are efficiently utilized. Subrecipients are given an application after all parties involved agree that the project is eligible and has a low degree of risk. This process is designed to save time and eliminate unnecessary work.

All CDBG-CV funds will be used as part of a needs-based response to COVID-19.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

DFA maintains CDBG applications, manuals and other necessary information on the website at https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/

Describe how resources will be allocated among funding categories.

Under CDBG program, eligible applicants can apply for one of the following categories, contingent on funding availability: community infrastructure, housing, public facility capital outlay, economic development, public services or planning. Any of the funding categories above may be used in the Colonias.

	Describe threshold factors and grant size limits.	 Regular CDBG Funds (Non-CARES Act CDBG Funding) Eligible applicants can have one open project at any time for up to \$750,000 in regular CDBG infrastructure funds. Eligible applicants can apply throughout the year for up to \$500,000 in housing funds, as long as funds are available. Eligible applicants can have one open project at any time for up to \$750,000 for regular CDBG public facilities. Eligible applicants can have one open project at any time for up to \$500,000 for regular CDBG economic development funds, as long as funds are available. Eligible applicants may apply for up to \$50,000 for regular CDBG planning funds throughout the year, as long as funds are available. Eligible applicants do not have a grant size limit for regular CDBG public services funding. CDBG-CV Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons. Number of persons assisted with public infrastructure
	What are the outcome measures expected as a result of the method of distribution?	 Number of persons assisted with public limastructure and facilities funds Number of rental units rehabilitated with housing funds Number of owner-occupied homes rehabilitated with housing funds Number of jobs created or retained with economic development funds Number of businesses assisted with economic development funds Number of persons assisted with homelessness prevention funds
2	State Program Name:	HOME Rental Development
	Funding Sources:	HOME

Describe the state program addressed by the Method of Distribution.

The HOME Rental Development program provides belowmarket-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60 percent of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30 percent AMI.

HOME Rental activities may give preference to a particular segment of the extremely low- or verylLow-income population to serve any unmet need as identified in its Consolidated Plan and/or Annual Action Plan.

HOME Rental activities may give preference to a particular segment of the extremely low- or very. Low-income population to serve any unmet need as identified in its Consolidated Plan and/or Annual Action Plan.

Any limitation or preference must not violate nondiscrimination requirements in 24 CFR 92.253, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 24 CFR 92.253 only if such limitation or preference is described in the action plan.

HOME Rental Development funding applicants are permitted to limit occupancy to or provide preference to the following populations:

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

While not required to limit occupancy or provide preference to the populations described above, owners of HOMEassisted projects who do, must do so in accordance with 24 CFR 92.253. The intent is merely to allow owners of HOMEassisted projects to limit occupancy to or provide preference to populations identified within this section as well as the priority housing needs identified in the New Mexico Consolidated Plan. Any limitation or preference must not violate nondiscrimination requirements. Federal fair housing requirements, including the duty to affirmatively further fair housing, are applicable to the HOME program. A limitation does not violate nondiscrimination requirements if the project also receives funding from a federal program that limits eligibility to a particular segment of the population (e.g. Housing Opportunity for Persons Living with AIDS program, the Section 202 and Section 811 programs) or the Housing for Older Persons Act.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.

Describe how resources will be allocated among funding categories.

Projects intending to use HOME funds in conjunction with 9 percent LIHTCs must meet all the conditions and requirements set forth in the applicable QAP. Projects receiving LIHTC awards will be awarded HOME funds simultaneously. Award amounts and payment structures will be determined by the debt capacity of the individual project and must meet the standards adopted for the LIHTC and HOME programs.

Applications for HOME funds for all projects outside of the 9 percent LIHTC round will be accepted and reviewed on a first-come, first-served basis. MFA will conduct outreach to Community Housing Development Organizations (CHDOs) to encourage them to apply.

	Describe threshold factors and grant size limits.	Awards of HOME funds to projects that receive 9 percent LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (ba) \$1,000,000\$1,250,000 per project for CHDOs/\$500,000\$400,000 for non-CHDOs or (be) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non-CHDOs, (ab)\$1,250,000 1,000,000 per project for CHDOs/\$800,0001,000,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.
	What are the outcome measures expected as a result of the method of distribution?	 Number of rental units constructed for eligible households Number of rental units rehabilitated for eligible households
3	State Program Name:	Homeowner Rehabilitation Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The Homeowner Rehabilitation Program provides funding for the rehabilitation of homes occupied by homeowners whose annual household income does not exceed 80 percent of the area median income, adjusted for family size. In the event that substandard units are in such poor repair that rehabilitation is not appropriate, funds may also be used for reconstruction or replacement. Substandard units may be replaced with a new site-built home or new manufactured housing that is affixed to a permanent foundation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Subrecipients are selected based on organizational capacity, financial management capacity, construction experience, quality of program implementation plans, community need and other ranking criteria identified in a Notice of Funding Availability (NOFA) issued by MFA. Homeowners must occupy the home to be rehabilitated and must have annual household incomes at or below 80 percent of AMI adjusted for family size as determined by HUD.

	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the NOFA issued by MFA. Three percent of HOME funds are designated for subgrantee administrative fees.
	Describe threshold factors and grant size limits.	Hard construction costs are generally limited to an average of \$85,000 per home. Funding for soft costs of between \$10,000 - \$13,000 per home, depending on the home's location, may be available to subgrantees. These limits may change slightly, at MFA's discretion. Hard costs have increased due to the rise in building materials pricing. MFA adheres to the HOME per unit subsidy limits and typically approves individual projects for a funding amount that does not exceed \$200,000.
	What are the outcome measures expected as a result of the method of distribution?	Number of eligible home units rehabilitated or replaced according to the program's standards.
4	State Program Name:	HOME Single Family Development Program
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The HOME Single Family Development Program provides below-market-rate loans to developers for land purchase, infrastructure development and construction of single-family homes for purchase by low-income households. Developers receiving such loans may also apply for grant funding for principal reduction of single family mortgages obtained by purchasers of the constructed homes. Developers of new construction will be made aware of the construction accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	HOME single-family development loans and any associated principal reduction grants are provided on a first-come, first-served basis, provided that the project meets MFA's underwriting criteria.

	Describe how resources will be allocated among funding categories. Describe threshold factors and	Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers' mortgages. MFA conducts outreach to CHDOs to encourage to application. Underwriting will take place to ensure that homebuyers are
	grant size limits.	not over-subsidized; grant amounts vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	 Number of homes constructed for eligible homebuyers Number of eligible homebuyers receiving down payment assistance
5	State Program Name:	Rental Assistance Program (RR/HP)
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The Rental Assistance Program (RR/HP) provides funds to subrecipients across the state who deliver emergency assistance to individuals and households experiencing homelessness or at risk of becoming homeless. Assistance can be used for essential services for individuals and families receiving rapid rehousing and homeless prevention assistance as rent, rental arrears, landlord incentives, renter's insurance, security deposits, application fees, housing relocation and stabilization services, housing search and placement, utilities, utility arrears, training, vaccine incentives, hazard pay, volunteer incentives, legal services, and is intended to restore stability for a specific time period.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Sub-recipient applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in any procurement process issued by MFA. Beneficiaries of rapid re-housing assistance must meet the definition of homelessness set forth in 24 CFR §576.104. For regular ESG, beneficiaries of homelessness prevention assistance must have incomes at or below 30 percent AMI and have documentation that meet the HUD definition for "At risk of homelessness" as outlined in 24 CFR §576.2 (1). Households deemed eligible for regular ESG homelessness prevention assistance would need to provide one of the following:

- Certification by the individual or head of household that no subsequent residence has been identified, OR
- Self-certification or other written documentation that the individual or head of household lacks the financial resources and support networks to obtain other housing.

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)

RR/HP funds are currently available to subrecipients through an RFP process. Nonprofit 501(c)(3) organizations and units of general purpose local government are eligible to apply. Selected subrecipients are eligible to receive funds for up to 6 years on an annual basis if the renewal criteria are met each year.

Describe how resources will be allocated among funding categories

Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's allocation were used for eligible administrative costs incurred by MFA.

Describe threshold factors and grant size limits.

Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.

6	What are the outcome measures expected as a result of the method of distribution?	 Number of eligible households receiving rapid re-housing assistance Number of eligible persons receiving homelessness prevention assistance
6	State Program Name:	Emergency Homeless Assistance Program (EHAP)
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The Emergency Homeless Assistance Program (EHAP) provides funding for emergency shelter operations, essential services, and data collection using HMIS or Osnium.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	ESG Funds Applicants are selected based on community need, past performance and agency experience and capacity, including financial management capacity. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Individuals qualifying for assistance must meet HUD's definition of homelessness.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	ESG Funds EHAP funds are currently available to subrecipients through an RFP process. Nonprofit 501(C)(3) organizations and units of general purpose local government are eligible to apply. Selected sub-recipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.
	Describe how resources will be allocated among funding categories.	ESG Funds Resources were allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 7.5 percent of MFA's ESG allocation will be used for eligible administrative costs incurred by MFA.
	Describe threshold factors and grant size limits.	Annual funding allocations received by subrecipients are determined through a combination of factors, including past performance and population of the counties served.

	What are the outcome measures expected as a result of the method of distribution?	 Number of unduplicated eligible persons assisted Number of persons exited to permanent housing
7	State Program Name:	Housing Opportunities for Persons with AIDS (HOPWA) Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The HOPWA program provides tenant-based rental assistance; short-term rent, mortgage, and utilities payments (STRMU); permanent housing placement assistance; and supportive services, to income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their total household income does not exceed 80 percent of the area median income as determined by HUD. MFA administers both the City of Albuquerque allocation and the New Mexico Balance of State allocation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Subrecipient applicants are selected based on organizational capacity, including financial management capacity, housing experience and plans for proposed areas to be served. These criteria are described in detail in a Request for Proposals (RFP) issued by MFA. Recipients of assistance must be income-eligible individuals who have medical documentation of a diagnosis of HIV/AIDS and their families. An individual or family is income-eligible if their total household income does not exceed 80 percent of the area median income as determined by HUD.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	Project sponsors are selected through a competitive RFP process that evaluates organizational capacity, including financial management capacity, housing experience and plans for proposed areas to be served. Nonprofit organizations, including grassroots and community-based organizations, may be eligible to apply.

	Describe how resources will be allocated among funding categories.	Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the RFP issued by MFA. Up to 3 percent of MFA's HOPWA allocation was used for eligible administrative costs incurred by MFA. The project sponsor may use not more than 7 percent of its HOPWA grant for administrative costs and up to 35 percent of the total HOPWA award, per project sponsor, may be used for supportive services.
	Describe threshold factors and grant size limits.	The HOPWA award for the City of Albuquerque allocation is limited to the allocation less administrative costs incurred by MFA. Award limits for the Balance of State are based on need, or the percentage of persons with HIV/AIDS that are below the federal poverty level in the region to be served.
	What are the outcome measures expected as a result of the method of distribution?	The housing stability performance outcome measures for those diagnosed with HIV/AIDS include: • maintain stable housing • reduce risk of homelessness • improve access to care
8	State Program Name:	National Housing Trust Fund (HTF)
	Describe the state program addressed by the Method of Distribution.	The HTF program provides forgivable cash flow loans or fixed payment to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose
		incomes do not exceed the greater of 30 percent Area Median Income (AMI) or the federal poverty line.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

All projects must meet the following threshold criteria:

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

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

- Geographic diversity
- Duration of the affordability period beyond the required 30 years
- Organization type
- Absence of project-based assistance
- Transit-oriented development
- Rural location
- Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market rate units
- Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner
- Use of state, local and private funding sources
- Extent to which the project provides permanent supportive housing

Describe how resources will be allocated among funding categories.

Resources will be allocated on a competitive basis in accordance with the scoring criteria described in the Notice of Funding Availability issued by MFA, which elaborates on the guidelines described in MFA's HTF Allocation Plan. Up to 10 percent of MFA's allocation and future program income will be used for eligible administrative and planning costs, in accordance with 24 CFR 93.202.

Describe threshold factors and grant size limits.	All awards are limited by the maximum per-unit subsidy limits described in MFA's HTF Allocation Plan and by MFA's underwriting guidelines. Awards of HTF funds to projects that receive 9 percent LIHTCs are generally limited to \$400,000 per project; however, depending on fund availability higher awards may be allowed, at MFA's discretion. Limits on awards of HTF funds to all other projects may be established by MFA based on availability of funds. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.
What are the outcome measures expected as a result of the method of distribution?	 Number of units constructed for eligible households Number of units rehabilitated for eligible households

Table 4 - Distribution Methods by State Program

Discussion:

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

AP-35 Projects - (Optional)

Introduction

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

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

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

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

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

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

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RR/HP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters are selected for regular ESG funds

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

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

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

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

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

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

Available Grant Amounts

N/A

Acceptance process of applications

N/A

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

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

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

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

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

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

Distribution Methods

State Program Name	Funding Sources
DFA Administered CDBG Program	CDBG

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

State programs Addressed

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

Criteria and their importance

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

CDBG only: Access of application manuals

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

ESG only: Process for awarding funds to state recipients

N/A

HOPWA only: Method of selecting project sponsors

N/A

Resource Allocation among Funding Categories

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

Threshold Factors and Grant Size Limits

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

Outcome Measures expected as results of Distribution Method

Number of people assisted within the Colonias.

Discussion

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

AP-50 Geographic Distribution – 91.320(f)

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

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

Geographic Distribution

Target Area	Percentage of Funds	
COLONIAS NEIGHBORHOOD	10	
Statewide	90	

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

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

Discussion

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

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

Introduction

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

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

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
Production of New Units	<u>1912</u>
Rehab of Existing Units	<u>23</u> 13
Acquisition of Existing Units	0
Total	42 25

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

Discussion

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

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

Introduction

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

The actions below encompass seventeen PHAs identified in this plan.

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

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

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

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

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

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

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

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

changed until their Audited Financial Statements have been completed and approved by HUD. The anticipated completion date is April 2024.

Discussion

No additional discussion beyond points covered above.

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

Introduction

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

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

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

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

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

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

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

Goals for ESG funds are to:

- Serve 2,552 persons with overnight shelter and essential services;
- Serve 173 persons with homelessness prevention assistance; and
- Serve 63 households with homelessness prevention assistance.

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

Addressing the emergency shelter and transitional housing needs of homeless persons

MFA provides ESG funds for:

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

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

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

MFA provides ESG funds for:

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

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

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

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

MFA provides ESG funds for:

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

Short- to medium-term rental assistance.

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

Discussion

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

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

One year goals for the number of households to be provided housing through the use of HOPWA		
for:		
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or		
family	204	
Tenant-based rental assistance	116	
Units provided in permanent housing facilities developed, leased, or operated with HOPWA		
funds	0	
Units provided in transitional short-term housing facilities developed, leased, or operated with		
HOPWA funds	0	
Total	320	

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

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

Introduction

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

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

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

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

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

Discussion

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

challenges.

AP-80 Colonias Actions – 91.320(j)

Introduction

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

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

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

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

Actions planned to address obstacles to meeting underserved needs

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

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

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

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

Actions the state plans to take to develop the institutional structure

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

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

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

Discussion

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

AP-85 Other Actions – 91.320(j)

Introduction

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

Actions planned to address obstacles to meeting underserved needs

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

Actions planned to foster and maintain affordable housing

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

Actions planned to reduce lead-based paint hazards

MFA and DFA will continue to meet all applicable HUD lead-based paint abatement standards in its CDBG, HOME and HTF rehabilitation programs. Through financing new construction of rental units under its HOME and HTF programs, MFA will continue to expand the stock of lead-safe housing units. MFA will also continue to train partners throughout the State in the Lead-Safe Housing Rule and encourage sub-grantees and professionals statewide to receive formal training and any applicable lead-based paint certifications. In addition, continue to seek funding as it becomes available to provide training, educational awareness, testing and abatement of lead-based paint hazards.

Actions planned to reduce the number of poverty-level families

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

need.

Actions planned to develop institutional structure

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

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

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

Discussion

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

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

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

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

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

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

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

70.00%

Years covered: 2020-2024

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

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:
 - HOME funding is not being used for any form of investment other than those identified in Section 92.205.
- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:
 - MFA's recapture and affordability guidelines are included in the Grantee Unique Appendices. In addition, the state will use the HOME 95 percent purchase price limits.
- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:
 - MFA's recapture and affordability are included in the Grantee Unique Appendices. In addition, the state will use the HOME 95 percent purchase price limits.
- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:
 - MFA may, at its discretion, use HOME funds for refinancing only when needed in order to permit or continue affordability of rental units when rehabilitation is the primary activity. Rehabilitation expenditures must be at least \$7,100 per unit being rehabilitated, indexed annually for inflation. Such investments are permitted to maintain current affordable units, create additional affordable units, or both. MFA's underwriting standards for an initial investment of HOME funds would apply, which include: adequacy of management and owner, feasibility of project to meet operational and debt service requirements, consistency with market and review of total development costs and

sources available to meet these needs. In addition, MFA will review management practices to demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated. The required period of affordability will be at least fifteen years. HOME funds for this purpose may be used statewide. However, HOME funds cannot be used to refinance multifamily loans made or insured by any federal program. Any unpaid balance of these loans is due in full at maturity or upon the sale or transfer to an ineligible party.

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

- 1. Include written standards for providing ESG assistance (may include as attachment)
 - MFA's ESG written standards can be found in the Grantee Unique Appendices.
- 2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.
 - The New Mexico Coalition to End Homelessness (NMCEH) launched a statewide coordinated assessment project, and the New Mexico Coordinated Entry System (NMCES), has identified and assessed over 75,000 individuals since then. The NMCES uses the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. Assessments are done at the NMCEH as well as CoC- and ESG-funded agencies, health centers, veteran programs, in correctional facilities and during street outreach. The majority of MFA's RR/HP and EHAP providers are trained in the use of NMCES. Ongoing training for new staff members and new agencies is conducted yearly; domestic violence service providers may elect not to use the NMCES.
- 3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).
 - Regular ESG funds are currently available to subrecipients through a competitive RFP process. Nonprofit 501(c)(3) organizations are eligible to apply. Selected subrecipients are eligible to receive funds for up to 5 years on an annual basis if the renewal criteria are met each year.
- 4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services

funded under ESG.

This requirement does not apply to states.

5. Describe performance standards for evaluating ESG.

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

Housing Opportunities for Persons with AIDS (HOPWA) Project Sponsors

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

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

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

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

1.	How will the grantee distribute its HTF funds? Select all that apply:
	☑ Applications submitted by eligible recipients
	☐ Subgrantees that are State Agencies
	☐ Subgrantees that are HUD-CPD entitlement grantees

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

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

N/A

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

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

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

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

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

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

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

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

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

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

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

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

All projects must meet the following threshold criteria:

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

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

Scoring Criteria	Points
Geographic diversity	
Geographic diversity	

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

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

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

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

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

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

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

(1) Evidence of site control

- (2) Evidence that the current zoning of the proposed site does not prohibit multifamily housing
- (3) Evidence of all other non-MFA funding sources, such as:
 - a. Letters of interest from all other non-MFA funding
 - b. Commitment letters from all other non-MFA funding sources

This scoring criterion falls within the High Priority category.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N/A

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

N/A

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

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

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

Households or individuals experiencing homelessness;

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

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

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

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

operational and debt service requirements, consistency with the market and review of total development costs and sources available to meet these needs. HTF funds for this purpose may be used statewide.

Discussion:

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

Data Sources

Data Source Name

2012-2016 ACS 5-Yr Estimates

List the name of the organization or individual who originated the data set.

US Census Bureau

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

What was the purpose for developing this data set?

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

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

The State of New Mexico

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

2012-2016 ACS 5-Year Estimates

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

Complete

2 Data Source Name

2011-2015 CHAS

List the name of the organization or individual who originated the data set.

US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)

Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.

What was the purpose for developing this data set?

The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.

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

The State of New Mexico

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

2011-2015 CHAS

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

Complete

Data Source Name

2000 Census, 2012-2016 ACS

List the name of the organization or individual who originated the data set.

US Census Bureau

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

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

What was the purpose for developing this data set?

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

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

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

The State of New Mexico

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

2000 Census

2012-2016 ACS 5-Year Estimates

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

Complete

4 Data Source Name

2011-2015 ACS (Workers), 2015 LEHD (Jobs)

List the name of the organization or individual who originated the data set.

2011-2015 ACS and 2015 Longitudinal Employee-Household Dynamics: United States Census Bureau

Provide a brief summary of the data set.

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

The Longitudinal Employer-Household Dynamics (LEHD) program is part of the Center for Economic Studies at the U.S. Census Bureau. The LEHD program produces new, cost effective, public-use information combining federal, state and Census Bureau data on employers and employees under the Local Employment Dynamics (LED) Partnership.

What was the purpose for developing this data set?

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

LEHD: Information from the LEHD helps state and local authorities who increasingly need detailed local information about their economies to make informed decisions. The LEHD Partnership works to fill critical data gaps and provide indicators needed by state and local authorities. LEHD's mission is to provide new dynamic information on workers, employers, and jobs with state-of-the-art confidentiality protections and no additional data collection burden.

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

The State of New Mexico

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

2011-2015 ACS (Workers), 2015 LEHD (Jobs)

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

Complete

5 Data Source Name

2018 CoC PIT

List the name of the organization or individual who originated the data set.

The City of Albuquerque CoC and the Balance of State CoC.

Provide a brief summary of the data set.

The Point-in-Time (PIT) count is data on the number of sheltered and unsheltered people and their characteristics experiencing homelessness on a given night as reported by the Continuums of Care.

What was the purpose for developing this data set?

To identify the number and characteristics of homeless individuals and families on a given night in the state to assess the available resources and inform the CoCs of program needs.

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

The State of New Mexico is covered by the City of Albuquerque CoC and the Balance of State CoC.

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

January 2018

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

Complete

Data Source Name

NM HIV Surveillance & Epidemiology Program, 2016 Annual Report

List the name of the organization or individual who originated the data set.

New Mexico Department of Health

Provide a brief summary of the data set.

The New Mexico Department of Health's HIV Surveillance & Epidemiology Program collects, analyzes, and disseminates surveillance data on HIV infection in New Mexico. This data is collected into an HIV surveillance annual report and includes HIV infection population counts, characteristics, regional impacts and yearly trends.

What was the purpose for developing this data set?

The annual surveillance report summarizes information about diagnosed HIV infections of which this information is used by the New Mexico Department of Health's partners including other agencies, health departments, nonprofits, academic institutions and healthcare providers to help optimize efforts, plan services, allocate resources, develop policy and monitor trends in HIV infection.

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

The State of New Mexico

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

2016

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

Complete

7 Data Source Name

2018 HOPWA CAPER

List the name of the organization or individual who originated the data set.

MFA Community Development Department

Provide a brief summary of the data set.

The 2018 HOPWA CAPER is an annual report providing program accomplishments for serving persons with HIV/AIDS and is part of the 2018 Consolidated Annual Performance and Evaluation Report that is submitted to HUD 90 days following the end of the program year. The HOPWA CAPER provides beneficiary counts and demographic and economic characteristics.

What was the purpose for developing this data set?

The 2018 HOPWA CAPER provides annual information on program accomplishments that supports program evaluation and the ability to measure program beneficiary outcomes as related to maintaining housing stability, prevent homelessness and improve access to care and support for persons with HIV/AIDS.

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

The State of New Mexico

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

2018

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

Complete

Data Source Name

HUD 2019 Fair Market Rents (FMR)

List the name of the organization or individual who originated the data set.

US Department of Housing and Urban Development (HUD)

Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs. HUD annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county. FMRs are displayed for efficiency (studio), 1-bedroom, 2-bedroom, 3-bedroom and 4-bedroom units by local counties as there is no statewide FMR.

What was the purpose for developing this data set?

Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs such as HOME.

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

The State of New Mexico

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

2019

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

Complete

9 Data Source Name

HUD 2018 CoC Homeless Assistance Programs, Housing Inventory Count Report

List the name of the organization or individual who originated the data set.

This data is provided to HUD by the two CoCs in New Mexico: Albuquerque CoC and the New Mexico Balance of State CoC.

Provide a brief summary of the data set.

The CoC Homeless Assistance Programs, Housing Inventory Count (HIC) Report is a count of all the emergency shelter beds, transitional housing beds and permanent supportive housing beds in the state.

What was the purpose for developing this data set?

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

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

The State of New Mexico

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

2018

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

Complete



TO: Board of Directors

THROUGH: Contracted Services Committee November 12, 2024

Policy Committee October 28, 2024

FROM: Robyn Powell, Director of Policy and Planning

DATE: November 20, 2024

SUBJECT: Government Relations Request for Proposal Outcome

Recommendation:

Staff is unable to recommend any awards under the Government Relations Consultant Request for Proposals.

Background:

Currently, Housing NM | MFA (MFA) retains one government relations provider who supports MFA's interests as well as legislative and advocacy priorities at the state level. At the September Board of Directors meeting, the Board approved a Request for Proposals (RFP) for an additional Government Relations Consultant.

Discussion:

After Board approval of the RFP on September 18, 2024, staff posted notice on our main website, housingnm.org, under Funding Opportunities. The full RFP and the RFP timeline were posted. Additionally, notice of the RFP was published in the Santa Fe New Mexican and the Albuquerque Journal on October 4, 2024.

Staff received and responded to one inquiry on the RFP, however, no proposals were received within the posted deadline.

RFP Timeline

Activity	Date, 2024
PC RFP review	September 3
Contracted Services Committee RFP review	September 10
Board RFP review	September 18

Publish RFP	September 18
RFP submission deadline	October 25
Preliminary award recommendations to PC	November 5
Final award recommendation to Contracted Services Committee	November 12
Final award recommendation to MFA Board	November 20

Summary:

Proposals were not received under the Government Relations Request for Proposals and staff is unable to recommend any awards.

2024 RENTAL AWARD SUMMARY

Project Name & Address	Tierra Linda Apartments 98th Street at Dennis Chavez Blvd., Albuquerque, NM 87121					
Proposed Award						
Borrowers	Tierra Linda Apartments LLLP (to be formed) will be owned 0.01% by DBG Tierra Linda Investors LLC (to be formed) as General Partner and 99.99% by tax credit investor Greystone Housing Impact Investors LP as Limited Partner.					
Management	GSL Properties, Inc. and its affiliates form a vertically integrated real estate company that has developed, built, and managed affordable housing since 1984. This company currently manages 7,200 affordable apartment units across New Mexico, Oregon, California, Arizona, Washington, and Nevada.					
Developers	DBG Properties LLC (DBG) is an Oregon-based vertically integrated affordable housing developer that includes a fully owned construction company that has solely constructed all of their projects. DBG has completed and leased up more than 2,600 affordable units across New Mexico, Oregon, Washington, and Colorado. They are currently constructing another 700 units in New Mexico, Colorado, and Arizona. The principal of DBG is Walter Grodahl, a development professional with over 35 years of experience in housing development. His sons, Eric Grodahl and Jack Grodahl, joined the company in 2017 and 2023, respectively, as principals.					
	DBG Properties LLC's audited financial statements as of FYE 12/31/2022 show unrestricted cash of \$655K, total assets of \$12.8M, a net worth of \$4.3M, a debt-to-worth ratio of 0.50 : 1:00, and a net positive income. DBG's audited financial statements as of FYE 12/31/2023 show unrestricted cash of \$487K, total assets of \$16.7M, a net worth of \$5.4M, a debt-to-worth ratio of 0.48 : 1:00, and a net negative income. DBG's compiled interim financials as of 7/31/2024 show unrestricted cash of \$976K, total assets of \$14.7M, a net worth of \$2.9M, a debt-to-worth ratio of 0.25 : 1:00, and a net negative income.					
Project Type & Size	New Construction of 240 units to be located on a 11.19-acre site. 60 units (25% of the project) will serve households with children. All 240 units will be income-restricted to households earning 60% or less of Area Median Income (AMI).					
Project Description	DBG Properties LLC is proposing the new construction of Tierra Linda Apartments, a 240-unit apartment project targeting households with children in Albuquerque, NM. The project will be constructed on an undeveloped parcel of land within the Rio Bravo Sector Development Plan, the West Side Strategic Plan, and the Developing Urban area of the Albuquerque Bernalillo County Comprehensive Plan. The project will consist of 12 one-bedroom units, each at approximately 744 sq. ft, 108 two-bedroom units, each at approximately 1,012 sq. ft., 108 three-bedroom units, each at approximately 1,248 sq. ft., and 12 four-bedroom units, each at approximately 1,444 sq. ft. The project's gross square footage will be around 306,591 sq. ft. comprised of 10 three-story wood framed, garden-style walk up residential buildings with a contemporary Southwestern aesthetic. Adjacent to the site are a community school and a high school, a single-family residential neighborhood, two LIHTC projects recently developed by DBG (Valle de Atrisco, a 240-unit project targeting households with children and Ceja Vista Senior Apartments, a 156-unit project targeting seniors), and undeveloped land. The project is within two miles of a grocery store offering fresh produce, a hospital, and the new Las Estancias development featuring over a dozen retail and restaurant uses.					
	Tierra Linda Apartments will have a large community building and a clubhouse containing a kitchenette, a large exercise room with fitness equipment, and an outdoor veranda. There will also be a laundry room adjacent to the community building. In-unit washers and dryers will be available to rent from the property owner. Site amenities include landscaped courtyards between buildings with picnic areas and walking paths. 120 carport parking spaces will also be available to rent.					
	The market study prepared by Novogradac and dated August 26, 2024, generally defines Tierra Linda Apartments' Primary Market Area (PMA) as the southwest corner of Albuquerque and the neighboring South Valley community. The market study advises that due to the high demand for quality affordable housing in the area the project is marketable as proposed. The project site is situated in the Rio Bravo Sector Development Plan on a 11.19-acre site. Surrounding land uses include the George I Sanchez Collaborative Community School (K-8), Atrisco Heritage Academy High School, Valle de Atrisco Family Apartments and Ceja Vista Senior Apartments, two related affordable housing developments, and single-family homes, all in good to excellent condition, as well as vacant, undeveloped land.					

	The analysis shows a Capture Rate of 7.6%, which is considered low and indicative of high demand for affordable housing in the area. Comparable affordable housing developments in the PMA are experiencing an average vacancy rate of 1.2%, as well as maintaining waitlists. The market study demand analysis shows the project will be fully occupied within 8 months of opening. This absorption period is based on an estimated average absorption rate of approximately 30 units per month. Given all of this information, the market study anticipates that Tierra Linda Apartments will maintain a vacancy rate of 5% or less upon stabilization.
Environmental & Site	A Phase I Environmental Site Assessment was completed for the subject site on September 13, 2024, by Terracon Consultants, Inc. No Recognized Environmental Conditions (RECs) or Controlled Recognized Environmental Conditions (CRECs) were identified in connection with the site.
Project Financials, Projections and Assumptions, and Subsidy Layering Review	This project was underwritten utilizing Housing New Mexico/MFA's standard 7% vacancy rate, which is considered conservative due to the low vacancy rates at nearby affordable housing properties. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes total annual income of \$3,313,728. The developers estimate \$866,923 in total operating expenses less reserves and social services (i.e., \$3,612 per unit per year), which is below Housing New Mexico/MFA's standard underwriting range of \$4,300 to \$5,800. However, large multifamily properties such as Tierra Linda Apartments benefit from economies of scale with costs spread over more units. Additionally, the project will receive a property tax abatement from Bernalillo County, resulting in a significant reduction in annual operating expenses.
	The project's Debt Service Coverage Ratio (DSCR) starts at 1.15 to 1.00 in year one, increasing to 1.45 to 1.00 in year 15. This ratio is within Housing New Mexico/MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year four of operation through year 13. The DSCR for year one through year three is slightly below underwriting standards and the DSCR for years 14 and 15 is slightly above underwriting standards.
	The interest rate for Greystone's first mortgage loan is assumed to be 6.00% (5.50% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate the required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from DBG.
	Currently, it appears that 98% (\$9,309,219) of the \$9,519,571 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the project would fully pay off the deferred developer fee by the end of year 15.
	Based on the investor's letter of interest, the project is currently underwritten using a credit price of 91 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$376K in a cash flow loan from DBG.
Affordability Requirements	<u>MMHTF:</u> 12 one-bedroom units, 108 two-bedroom units, 108 three-bedroom units, and 12 four-bedroom units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The NMHTF affordability period is 40 years: 20 years as required by Affordable Housing Act Rules and 20 years for Housing NM's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.
Repayment and Disbursement	NMHTF: Payments: Interest only monthly during the construction period not to exceed 24 months; 480 equal principal & interest payments during the permanent loan period. All outstanding principal and interest are due at the earlier of maturity, refinance, or sale of the project.
	<u>Disbursement</u> : Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Exceptions to Loan Program Policy	NMHTF: Policy: The NMHTF NOFA states "MFA, in its discretion, may set limits on the amount of NMHTF funding to be awarded per application, per NOFA, per quarter, per year, or otherwise. See MFA's website at https://housingnm.org/developers/nm-housing-trust-fund for current limits."
Tierra Linda Apartmenta (Page 2 of 4

	The current NMHTF limits posted on Housing NM's website are \$3,000,000 for construction loans and \$2,000,000 for permanent long-term amortizing loans.				
	Mitigation: Borrower is requesting the maximum loan amount of \$3,000,000 during the construction period, with that full amount carried through conversion to the permanent period. If this exception is				
	approved by Housing NM/MFA's Board of Directors, the NMHTF base interest rate will be increased by 1% to mitigate the requested exception. As a 4% LIHTC project, the base rate for this loan is 2%,				
	therefore the rate will be adjusted upwards to 3%. Additionally, at 240 units, this project would				
	contribute a substantial amount of new affordable housing stock in the area and will offer three- and four-bedroom units likely to serve difficult to house populations.				
	1. All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts				
	may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing;				
	2. Any changes or additions to the following development team members listed in the loan				
Special Conditions	application must be approved by MFA: developer, contractor, management company, consultant or architect;				
Special Collutions	3. Financing commitments acceptable to MFA prior to funding on all funding sources;				
	 Acceptance of 2024 award of Low-Income Housing Tax Credits (LIHTC); Approval of plans/construction monitoring/draws by MFA's Architectural Services 				
	Representative or a third party acceptable to MFA (i.e. hired by MFA, investor or primary				
	construction lender) and shared with MFA. Cost to be paid by applicant; 6. Other conditions as may be determined by staff; and				
	7. Subject to availability of funds.				
	8. Loan to be in second lien position; and9. DBG Properties LLC must provide a guarantee during the construction period.				
Housing New	DBG Properties LLC:				
Mexico/MFA Commitments to	2012 LIHTC (49() Silver Meen #474 526				
Other Projects	2013 LIHTC (4%) - Silver Moon - \$474,526 2013 NMHTF - Silver Moon - \$409,208				
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2015 LIHTC (4%) - Village at Avalon - \$1,261,508				
	2017 LIHTC (4%) - Valle de Atrisco - \$1,145,803 2019 LIHTC (4%) - Ceja Vista - \$886,136				
	2019 NHTF - Ceja Vista - \$1,498,644				
	2020 NHTF - Valle de Atrisco - \$1,647,000 2020 NMHTF - Valle de Atrisco - \$500,000				
	2020 LIHTC (4%) – 550 Paseo Apartments - \$2,313,494 2021 HOME - 550 Paseo Apartments - \$750,000				
	2021 NMHTF - 550 Paseo Apartments - \$2,000,000 2021 LIHTC (4%) - Casa de Sierra - \$894,009				
	2021 NMHTF – Casa de Encantada - \$2,000,000				
	(1) Risk Share loans carry 10% Housing New Mexico/MFA risk				
	(2) Bonds are non-recourse to Housing New Mexico/MFA (3) Loan Balances as of 10/21/2024				
Housing New Mexico/MFA	\$8,804,852 (excludes LIHTC, grants, and loans pending approval)				
Exposure					
Risk Factors	Market – Low (Strong demand for proposed property in PMA)				
	2. Construction – Medium (construction material pricing remains high, however, the				
	developer is experienced plus the investor and main construction lender will provide additional oversight and controls)				
	3. Developer – Medium				
	4. Guarantor – Medium				
	 General Partner/Managing Member – Medium (i.e. the developer) Community Opposition – Low Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse 				
	market conditions the project may not move forward. Final underwriting is required				
	before loan closing to ensure viability before final commitment)				

Summary &	The proposed project presents a favorable risk profile and is recommended for approval.		
Recommendation			
Prepared by	Justin Carmona, Development Loan Manager	Date	11/5/24
Reviewed by	George Maestas, Director of Housing Development	Date	11/5/24

		PROJECT INFORMATION SUMM	1ARY			
Project Na	me	City	NC, AR, or	Total # Units	Unit Sizes	Target AMIs
Tierra Linda Apa	rtments	Albuquerque	NC/AR	Units		
Total Development Cost	\$ 79,239,799		NC	240	1-BED, 2-BED,	60% AMI
Borrowers	Tierra Linda Apartments	s, LLLP (to be formed)			3-BED, & 4-BED	
Management	GSL Properties, Inc.		YEAR BU	ILT (AR)	LIHTC ALLOC	4% or 9%
Developer	DBG Properties LLC		N/	Α	\$ 3,761,046	4%
		NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments				
NEW MEXICO HOUSING TR			NUN	1BER OF	NMHTF UNITS:	240
Funds Available as of:		\$0				
	MFA Guidelines	Loan Request			EPTIONS/CONDITIO	
Maximum Loan Amount	\$3,000,000	\$3,000,000	Request at NMHTF loan limit of \$3M with full amount carrie through conversion to perm. If exception approved, Housin NM/MFA will require a 1% increase to base interest rate.			n approved, Housing
Rates	0.0% to 5.0%	3.0%	Base rate for 4% LIHTC is 2% (3% after MFA increase of 1%			MFA increase of 1%).
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	Mthly during perm	40 yr amortization				
Lien Position	Subordinate allowed	2nd lien position				
Affordability Requirements	Min 20 years, Max 60% AMI	40 yrs, 240 units @ 60% AMI	11			
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.15 : 1.00 in year 1 increasing to 1.45 : 1.00 by year 15	DSCR stays starts at 1.15: 1.00 in Year 1, trends upward 1.21: 1.00 in Year 4, remains between 1.20: 1.00 to 1.40 in Years 4-13, trends upwards to slighly above 1.40: 1.00 Years 14 & 15		1.20 : 1.00 to 1.40 : 1.00	
Scoring Criteria	57-112 points	58				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY					
Project: Tierra Linda Apartments		Total	% TDC		Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	2,708,479	3%	\$	8.83
Construction Hard Costs	\$	42,439,990	54%	\$	138.43
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	12,108,789	15%	\$	39.49
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	1,469,250	2%	\$	4.79
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	8,029,457	10%	\$	26.19
Permanent Financing Costs (fees, title/recording, etc)	\$	632,769	1%	\$	2.06
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	533,189	1%	\$	1.74
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	75,000	0.1%	\$	0.24
Reserves (rent-up, operating, replacement, escrows, etc)	\$	1,723,305	2%	\$	5.62
Developer Fees (inc consultant fees)	\$	9,519,571	12%	\$	31.05
Total Development Costs (TDC)	\$	79,239,799	100%	\$	258.45
TDC w/o Land, Reserves & Commercial	\$	74,909,636	95%	\$	244.33

	CONSTRUCTION SOURCES					
Project:	Tierra Linda Apartments		Total	% of Total		Per Unit
Construct. Lender	Greystone/Private Activity Bonds	\$	47,500,000	59.9%	\$	197,916.67
2nd Lien Holder	Housing NM/NMHTF	\$	3,000,000	3.8%	\$	12,500.00
Construction Loan	Greystone/Taxable Construction Loan	\$	10,177,750	12.8%	\$	42,407.29
Deferred Developer Fee	DBG	\$	9,519,561	12.0%	\$	39,664.84
Other Source	Operating Reserves	\$	1,526,594	1.9%	\$	6,360.81
Other Source	DBG/Deferred Contractor Profit	\$	1,782,480	2.2%	\$	7,427.00
Other Source	ABCWA/UEC Deferral Loan	\$	600,000	0.8%	\$	2,500.00
Other Equity	DBG/GP Equity	\$	100	0.0%	\$	0.42
LIHTC Equity	Greystone	\$	5,133,314	6.5%	\$	21,388.81
	Total Construction Sources	\$	79,239,799	100.0%	\$	330,165.83

	PERMANENT SOURCES					
Project:	Tierra Linda Apartments		Total	% of Total		Per Unit
Construct. Lender	Greystone/Private Activity Bonds	\$	30,070,000	37.9%	\$	125,291.67
2nd Lien Holder	Housing NM/NMHTF	\$	3,000,000	3.8%	\$	12,500.00
Deferred Developer Fee	DBG	\$	9,309,219	11.7%	\$	38,788.41
Other Source	ABCWA/UEC Deferral Loan	\$	600,000	0.8%	\$	2,500.00
Other Source	DBG/Sponsor Loan	\$	1,575,020	2.0%	\$	6,562.58
Other Source	Cash Flow from Operations	\$	463,364	0.6%	\$	1,930.68
Other Equity	DBG/GP Equity	\$	100	0.0%	\$	0.42
LIHTC Equity	Greystone	\$	34,222,096	43.2%	\$	142,592.07
	Total Permanent Sources	\$	79,239,799	100.0%	\$	330,165.83

Development Cost Budget				
Tierra Linda Apartments		Gross Sq. Footage:		306,591
Albuquerque		TOTAL COST		COST/GSF
ACQUISITION COSTS				
Land Acquisition	\$	2,606,858	\$	8.50
Building Acquisition	\$	-	\$	-
Other: Seller note interest for land	\$	101,621	\$	0.33
SUBTOTAL	\$	2,708,479	\$	8.83
CONSTRUCTION HARD COSTS		· ·		
Demolition	\$	-	\$	-
Accessory Structures	\$	-	\$	-
Site Construction	\$	5,190,890	\$	16.93
Buildings and Structures	\$	37,249,100	\$	121.49
Off-Site Improvements	\$	-	\$	-
Other:	\$	-	\$	-
SUBTOTAL	\$	42,439,990	\$	138.43
OTHER CONSTRUCTION COSTS	Ť	, :::,	7	
Contractor Overhead	\$	891,240	\$	2.91
Contractor Profit	\$	1,782,480	\$	5.81
General Requirements	\$	2,673,720	\$	8.72
Construction Contingency	\$	2,122,000	\$	6.92
Gross Receipts Tax (GRT)	\$	3,803,099	\$	12.40
Landscaping	\$	-	\$	-
Furniture, Fixtures, & Equipment	\$	150,000	\$	0.49
Other: Laundry appliances, covered parking	\$	686,250	\$	2.24
SUBTOTAL	\$	12,108,789	\$	39.49
PROFESSIONAL SERVICES/FEES				
Architect (Design)	\$	1,120,000	\$	3.65
Architect (Supervision)	\$	89,250	\$	0.29
Attorney (Real Estate)	\$	50,000	\$	0.16
Engineer/Survey	\$	110,000	\$	0.36
Other: Soils report, UA study, HERS rater	\$	100,000	\$	0.33
SUBTOTAL	\$	1,469,250	\$	4.79
CONSTRUCTION FINANCING COSTS				
Hazard Insurance	\$	360,000	\$	1.17
Liability Insurance	\$	360,000	\$	1.17
Performance Bond	\$	-	\$	
Interest	\$	5,220,000	\$	17.03
Origination\Discount Points	\$	539,207	\$	1.76
Credit Enhancement	\$	-	\$	-
Inspection Fees	\$	75,000	\$	0.24
Title and Recording	\$	150,000	\$	0.49
Legal	\$	25,000	\$	0.08
Taxes	\$	-	\$	-
Other: Municipal impact fees, site service utilities, NMHTF app fee	\$	1,300,250	\$	4.24
SUBTOTAL	\$	8,029,457	\$	26.19

Project: Tierra Linda Apartments				
PERMANENT FINANCING COSTS				
Bond Premium	\$	351,269	\$	1.15
Credit Report	\$	-	\$	-
Origination\Discount Points	\$	-	\$	-
Credit Enhancement	\$	-	\$	-
Title and Recording	\$	-	\$	-
Legal	\$	180,000	\$	0.59
Cost of Bond Issuance	\$	-	\$	-
Pre-Paid MIP	\$	-	\$	-
Reserves and Escrows	\$	-	\$	-
Other: SBOF Fees, Bond Counsel	\$	101,500	\$	0.33
SUBTOTAL	\$	632,769	\$	2.06
SOFT COSTS				
Market Study	\$	10,000	\$	0.03
Environmental	\$	15,000	\$	0.05
Tax Credit Fees	\$	321,189	\$	1.05
Appraisal	\$	10,000	\$	0.03
Hard Relocation Costs	\$	-	\$	-
Accounting/Cost Certification	\$	15,000	\$	0.05
Other: Soft cost contingency, Housing NM			\$	0.53
Design Review Deposit	\$	162,000		0.55
SUBTOTAL	\$	533,189	\$	1.74
SYNDICATION				
Organization	\$	75,000	\$	0.24
Bridge Loan	\$	-	\$	-
Tax Opinion	\$	-	\$	-
Other:	\$	-	\$	-
SUBTOTAL	\$	75,000	\$	0.24
TDC before Dev. Fees & Reserves	\$	67,996,923	\$	222
RESERVES				
Rent Up	\$	50,000	\$	0.16
Operating	\$	1,526,594	\$	4.98
Replacement (inc. only if capitalized)	\$	-	\$	-
Escrows/Working Capital	\$	146,711	\$	0.48
Other:	\$	-	\$	-
·				5.62
SUBTOTAL	\$	1,723,305	\$	3.02
		1,723,305	Ş	3.02
SUBTOTAL		9,519,571	\$ \$	31.05
SUBTOTAL DEVELOPER FEES	\$			
SUBTOTAL DEVELOPER FEES Developer Fee	\$		\$	
SUBTOTAL DEVELOPER FEES Developer Fee Consultant Fee	\$ \$ \$	9,519,571 -	\$	31.05





TO: Housing New Mexico Board of Directors

Through: Finance Committee, November 12, 2024 **Through:** Policy Committee, November 5, 2024

FROM: Leann McDonald, Rehab Program Manager

John Garcia, Assistant Director of CDD

DATE: November 20, 2024

SUBJECT: HOME Investment Partnership Homeowner Rehabilitation (NOFA)

Notice of Funding Availability: Edits Item #19: Notice of Funding Availability

Recommendation

Staff is requesting approval to update the Notice of Funding Availability (NOFA) for the HOME Investment Partnership homeowner's rehabilitation program (HOME Rehab) to reflect the following changes: updated language throughout, removal of current territories, redefining use of the administrative awards, removal of the \$95,000 recommended per home cap, implementation of project delivery fees, updated the afterrehab value determination.

Background

The current version of the HOME Rehab NOFA was approved by the Housing New Mexico Board on May 17, 2023. Housing New Mexico staff has performed an extensive reconciliation of program policies and procedures under the guidance of a HUD approved T&TA consultant. As a result, staff has identified necessary updates to the NOFA that reflect these changes. A new manual, program checklist, supporting documents and procedures that streamline program productivity have consequently been updated and are pending implementation upon Board approval of the NOFA changes. These updates remove barriers that have caused consistent program restraints, delays and denial of projects whereas our current policies are more restrictive than those of HUD.

Discussion

Please find attached the updated NOFA. To clearly display the requested changes, staff has provided a red-lined version of the NOFA highlighting the following edits:

NOFA:

- Throughout this document, replaced:
 - ✓ MFA for Housing New Mexico
 - ✓ "Affordability period" for "restrictive period"
 - ✓ Grammatical corrections that do not affect policy
- Page 1: Replaced old logo with new logo
- Page 4: Removed FAQ language and made note of who to contact for further questions.
- Page 5: Award Notice
 - ✓ Added language to explain how awards will be approved initially, ongoing and how additional funding allocations will be made proceeding the expenditure of initial Board approved awards.
- > Pages 5-6: Funding allocation
 - ✓ Removed previous award detail and breakdown, added an explanation that new award allocations will be added to the balance of funding availability.
 - ✓ Increase administrative funding award from 3% of allocation to 5% of allocation to all awarded subrecipients.
 - ✓ Change in approved uses of administrative funding from non-direct project related activities for feasible projects, to instead utilize administrative funding for all costs associated in determining project eligibility and feasibility in projects that <u>do not</u> go through feasibility. This is to correct the current issue with agencies having to bear the cost of project eligibility determination for unfeasible projects.
 - ✓ Language added specifying the difference between soft cost and project delivery cost which will take the place for all non-hard costs associated within feasible projects to replace administrative funding.
- > Pages 6-7: Funding terms and conditions
 - ✓ Removing recommended amount per project. We wish to avoid assigning a recommendation of amount per project, as we are gearing the new policy to be strictly compliant with the rehab standards, we have re-written. It has been discussed that historically, if a recommended amount is issued, providers tend to add additional items to the scope of work, to spend the recommended amount, rather than only spending what is needed to bring the property up to code and ordinance. While the 2024 3-bedroom HUD issued per unit subsidy in our state is well over \$300,000. Housing New Mexico will have an internal limit set at \$199,999 per project. This internal limit will allow us flexibility in projects that are necessary to allow a larger budget in order to bring the property up to code and ordinance and create more sustainable housing throughout our state as opposed to denying

- these larger projects. Please keep in mind that there are several checks and balances in place.
- ✓ This section also addresses one of the regulated checks and balances in place, which is the after-rehab value cannot exceed 95% of the median sales price per county, issued annually by HUD. Additional language has been added to this section that maps out regulation and our new policy for determining this value. Other checks and balances not listed here are the newly introduced homeowner rehabilitation standards which provide step by step instructions on how to determine consistently each scope of work. Additional training is scheduled to take place and will cover the regulation on project cost reasonableness and the responsibility of the program administrator in determining this; along with random QC inspections to be performed across the state to ensure consistency in the newly imposed procedures.
- ✓ Redundant information removed
- ➤ Pages 7-9: Eligible applicants
 - ✓ Removal of language specifying that for-profit agencies can receive awards as this is inaccurate information.
 - ✓ Removal of previous fiscal years that are no longer applicable.
- Pages 9-10: Eligible activities
 - ✓ Updated language of owner requirements to be consistent with the new policy we have in place.
 - ✓ Removal of the following language that is more restrictive than HUD to be consistent with language within our new policy:
 - Must be fee simple or 99-year lease hold
 - Cannot have existing mortgage loan
 - ✓ Added language to incorporate both the City of Albuquerque and City of Las Cruces which have historically been excluded from this program due to both cities having their own HOME allocations as local Participating Jurisdictions. It has been confirmed that neither City are currently operating homeowner rehabilitation with their HOME Investment Partnership allocation and as a State PJ, we have determined that the need to open to these two cities is necessary to help the residents within. As a state PJ we will ensure that funding is distributed appropriately to both metro areas and rural areas.
- Page 11: Project reservations
 - ✓ Removed the statement that funding will be reserved first come first served, this information is not accurate in the context it was written.
- Pages 11-12: Project funding/reimbursement
 - ✓ Removed dated language and replaced with language consistent with the new manual.
- ➤ Pages 12-13: Project minimum and maximum funding amounts

- ✓ Replaced language consistent with pages 6-7, removing recommended amount per project.
- ✓ Added language to ensure checks and balances created for Statewide consistency of this program.
- ✓ Added language specific to Housing New Mexico staff performing Quality Control.
- ✓ Added language specific to additional requirements as well as reallocation of funding for non-compliant subrecipients.
- > Pages 13-14: Restrictive period
 - ✓ Renamed this section to restrictive period as our previous language of "affordability period" can invoke a compliance period which would need to be maintained.
 - ✓ Updated language throughout this section to be consistent with the new manual.
- Pages 14-15: Eligible beneficiaries
 - ✓ Updated language as well as links throughout to be consistent with updated policy.
- Page 15: Funding limits and restrictions
 - ✓ Updated language to be consistent with updated policy.
- > Page 15: Environmental requirements
 - ✓ Updated language to be consistent with updated policy.
- > Page 15: Flood insurance
 - ✓ This section has been removed entirely as Housing New Mexico has decided that any home within a flood plain is ineligible for rehab.
 - Further review for the 500-year flood plain is being discussed.
- > Page 15-16: Lead based paint
 - ✓ Renamed this header to "Environmental Testing"
 - ✓ Updated language to be consistent with updated policy to include asbestos and radon testing in addition to Lead Based paint.
- Page 17: Application review information
 - ✓ Added language removing territory restrictions. Previously there was only one provider allowed per territory. Going forward we encourage multiple providers to apply for territories in order to reduce wait time for homeowners and to speed up the expenditures and completions of this program in assisting more New Mexicans across the state.
- Page 22: HOME Rehabilitation program Notice of Funding Availability
 - ✓ Added verbiage to specify that further NOFA changes will be reviewed and approved by Policy Committee.

Summary

Staff requests approval of all summarized changes to the HOME Rehab NOFA. By lifting territory restrictions, more New Mexicans can be assisted, and current wait times of

several years in some areas, can be decreased. By removing the cap per project, more projects will be approved, and more housing throughout the state will have long-term sustainability. By increasing the internal hard cost cap, per home, to \$165,000 we will be able to meet the rising cost for materials and labor. This will also assist in the backlog of HOME funding that needs to be spent. We believe that these changes will create a streamlined process, and by implementing these changes, we will avoid items that have previously caused delay and denial of projects.



HOME Investment Partnership Homeowner (HOME) Rehabilitation Program

Notice of Funding Availability



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OVERVIEW INFORMATION

INTRODUCTION AND BACKGROUND

The New Mexico Mortgage Finance Authority (<u>Housing New MexicoMFA</u>) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1978 *et seq.* (1978) for the purpose of financing affordable housing for low and moderate income low- and moderate income New Mexico residents.

MFA referred throughout this document as "Housing New Mexico" receives Federal HOME Investment Partnership Program (HOME) funds through a Housing and Urban Development (HUD) formula grant and allocates a portion of these funds to the HOME Rehabilitation Program. The HOME Rehabilitation Program provides essential home repair and improvements that are non-luxury in nature to income eligible homeowners. The purpose of this Notice of Funding Availability (NOFA) is to invite the submittal of applications from service providers in accordance with applicable guidelines set forth in this NOFA and established Housing New MexicoMFA minimum qualifications. Housing New MexicoMFA is looking for qualified, capable service providers, who are knowledgeable, skilled, and experienced in managing federal funding and can provide HOME Rehabilitation services. Service providers will be selected based on their capacity, experience, and the ability to provide program services.

Historically, for this program the term service provider has been used. While this may be a term seen in this document, by program definition the awards are made to subrecipients also known as program administrators (PA). Please keep in mind that these three terms are interchangeable.

AGENCY CONTACTS

<u>Housing New Mexico</u>MFA will be responsible for administering the HOME Investment Partnership Home Rehabilitation Program for current and subsequent funding allocations which include but are not limited to fund management, reporting, and monitoring of the Home Rehabilitation Program activities to ensure program compliance.

Point of Contact: Leann McDonald, Program Manager Community Development Department Housing New Mexico/ NM Mortgage Finance Authority 344 4th Street7425 Jefferson Street NE, Albuquerque, NM 871092

Office: (505) 767-2289

Email: Imcdonald@housingnm.org

Questions pertaining to the NOFA and potential Applicants will be answered through the NOFA FAQ.

NOFA FAQ has closed. For questions about this program, please use contact above.

Questions must be submitted via the FAQ at MFA's website. https://housingnm.org/rfps/rfps rfqs/2023 HOME Rehabilitation program for the HOME Rehabilitation Program. Select the HOME Rehabilitation Resources and type in your question(s) and submit. Questions will be checked daily. MFA will make every attempt to post responses to questions within 48 business hours of submission.

The FAQ will open immediately following release of the NOFA.

DEFINITIONS

UNIQUE ENTITY IDENTIFIER (UEI)

The Federal Government has transitioned from the use of the DUNS Number to the Unique Entity Identifier (UEI) as the primary means of entity identification for Federal awards government-wide. UEIs are required in accordance with 2 CFR Part 25, and the transition from DUNS to UEI has resulted in the UEI being issued by the Federal Government in SAM.gov. This means entities no longer rely on a third- party to obtain an identifier (i.e., a DUNS issued by Dun and Bradstreet). This change streamlines the entity identification and validation process, making it easier and less burdensome for entities to do business with the Federal Government.

REHABILITATION

The improvement of the condition of a property from deteriorated or substandard to good condition. Rehabilitation may vary in degree from the extensive reconstruction to the cure of substantial accumulation of deferred maintenance. The HOME Investment Partnership Funding requires the unit to be brought up in its entirety to local code and ordinance.

AWARD INFORMATION

AWARD NOTICE

Housing New Mexico MFA shall provided electronic notice (e-mail) of initial project award(s) to successful Applicants within fifteen (15) days of the Housing New Mexico MFA Board approval of the award in August 2023 following the initial release of this NOFA. All future applicants will be notified within fifteen (15) days of approval following the Housing New Mexico Board approval. The award shall be contingent upon signing final award documents. The notification will be delivered to the contact person indicated on the application. This process also applies to denial notification.

Upon 80% expenditure of current awards, Board approved applicants may request additional funding. Additional funding allocation will be approved through Policy Committee contingent upon good standing within Housing New Mexico along with all required documentation provided for the annual renewal process.

FUNDING ALLOCATION

The 2023 Department of Housing and Urban Development (HUD) HOME award allocations were approved by the Housing New MexicoMFA Board on May 17, 2023. The HOME Rehabilitation Program received \$4,997,360 for the 2023 program year. The balance and the amount available for release under this NOFA is \$4,497,360 which includes a three (3) percent administrative award to the service providers-Subsequent year awards will be deposited into this balance of funding availability to award to active and incoming qualified subrecipients.

The administrative award to all subrecipients will be increased to is 5% of award as well as redirecting the use of administrative funding from feasible projects to infeasible projects.

AThe administrative costs are authorized under 24 CFR 92.207 and for the program and may be used for overhead and direct costs that the subrecipient incurs in order to administer or manage its overall HOME homeowners rehab program, non-direct project related activities that contribute to the service providers Rehabilitation Programs well as direct project-related activities such as processing of applications/determining project eligibility and other related

cost on projects that were determined not to be feasible and therefore have no other way to be reimbursed under a traditional project IDIS number. For feasible projects (projects that receive an IDIS number traditional HOME project. For feasible projects (projects that meet HOME program requirements) Aall direct project-related activities such as the wages for the project manager or administrative assistant—must will be billed and reimbursed charged as project delivery cost and all eligible 3rd party costs specified in 24 CFR 92.206 will be billed and reimbursed as soft costs for projects determined to be feasible and approved by Housing New Mexico. and not to the administrative fees. The administrativeNo costs at any time and soft costs cannot can be passed to the homeowner.

Thise NOFA will remain open as long as there are available funds. <u>Each program year, we anticipate an additional award whichith will be added to this NOFA and Housing New Mexico MFA will provide notice of additional funding allocations to the program through the Housing New Mexico's MFA's website,</u>

FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds, applicable laws, and funding source regulations for the HOME Rehabilitation Program. Housing New MexicoMFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability and reasonable to complete each project.

Awards will be made to approved service providerssub recipients/Program Administrators on a project-by-project basis. Subrecipients may request funding be awarded for up to five (5) pipeline projects which may be submitted for initial request of funding availability or upon 80% expenditure of the current award, or determined by MFA, per funding round. Funding will be granted based on the cost estimates of the (up to 5) projects requested of up to \$95,000 may be available per project. Actual construction costs (hard costs) are recommended at \$85,000 and soft costs are limited to \$10,000. Homeowners whose annual household income does not exceed eighty percent (80%) of the area median income, adjusted for family size, have ownership interest as permitted by the HOME final Rule, and occupy the home as his/her principal residence, may will be eligible for the HOME Rehabilitation Program.

Regulation requires that the after-rehabilitation value of homeowner assisted units with HOME funds may not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD. HUD publishes the Existing Housing value limit each year. The current limits are available at: https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/.

To establish project eligibility, after-rehabilitation value must be established prior to any work being performed. To establish the after-rehabilitation value, The pre-rehabilitation value of the home must be determined by appraisal or MFA-The program administrator must determine the current value of the home using a print out from the county's assessor's office or through a 3rd party appraisal. Next, the hard costs from the scope of work must be determined. Once hard cost is determined, any mitigation can be deducted from the hard cost. From there, 60% of the remaining project hard cost will be added to the current value to determine the after-rehab value, accepted method Other reasonable methods approved by Housing New Mexico in advance may be accepted to determine current value. Additionally, there may be instances where deferred maintenance can also be deducted from the hard cost in determining the after-rehabilitation value. Before any rehabilitation work is performed.

-Housing New MexicoMFA will place a lien on the property using a Restrictive Covenant or Tribal Land Agreement signed by the homeowner,- notarized and recorded before any funds are expended on the project. At project completion, the agreement is to be re-recorded (if hard cost has changed) at the County Clerk's office where the property is located and delivered to Housing New MexicoMFA via certified mail. This will ensure compliance with the restrictive period of affordability and as outlineds in the Restrictive Covenant Agreement the forgivable terms of the loan. In the event of a sale of the property during the restrictive period of affordability, the homeowner will

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be responsible to pay for hard costs associated with the rehabilitation of the home based on the terms of the agreement. After year 10, the payback amount lessons by 20% per year unit year 15.7

The value of the home (as determined by appraisal or other method approved by MFA such as a market analysis) cannot exceed the HUD published value for the unit size, after rehabilitation. Service providers must use the HUD 95% after rehabilitation median values which are available online at https://housingnm.org/rfps/rfps-rfqs/2023 HOME Rehabilitation Program.

This NOFA will remain open as long as there are funds available. Service providers will be able to request additional funding when their initial award is at least 80% expended and when it is determined by MFA that they have satisfactorily completed assigned projects. Service providers ubrecipients/PAs who received HOME Rehab funding from MFA-Housing New Mexico through any other past procurements must have fully expended their award before a request can be approved to release any funding under this NOFA.

If other funds become available to MFA during the contract period for activities like the work performed under the Program, additional funding may, at the option of MFA, be offered to the successful Applicants without a new NOFA.

METHOD OF DISTRIBUTION

MFA—Housing New Mexico will award HOME Rehabilitation Program funds to an eligible service provides ubrecipients/PAse through this NOFA for the rehabilitation of eligible projects. All awards are distributed on a reimbursement basis. Please reference the Program Manual for further instruction. MFA Housing New Mexico will solicit qualitative and quantitative information from Applicants to demonstrate if the project being proposed for HOME Rehabilitation Program funding fulfills the program objectives.

ELIGIBILITY INFORMATION

ELIGIBLE APPLICANTS

MFA-Housing New Mexico will award HOME Rehabilitation Program funding to eligible Applicants to include, but not limited to, public and private non-profit organizations, for profit organizations, governmental housing agencies, authorities, entities, or instrumentalities, regional housing authorities, tribal governments or housing agencies, developers, builders, corporations, limited liability companies, partnerships, joint ventures, syndicates, associations, or other entities that can assume contractual liability and legal responsibility through execution of a Performance Agreement and/or other written agreements with MFAHousing New Mexico. Individual homeowners are not eligible for the HOME Rehabilitation Program. Applicants must be approved by MFA Housing New Mexico and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of 24 CFR 92 HOME linvestment Partnerships Program.

As part of the application, eligible applicants must provide evidence the following:

- 1. Applicant must be able to provide housing rehabilitation related services to persons of low or moderate income.
- 2. Applicant must be formed as an organization under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing with HUD or as applicable.
- Applicant must be able to conduct business in New Mexico by evidence of a business license or other governmentally issued document.

- 4. Applicant must have a functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles (GAAP) or has designated an entity that will maintain such an accounting system that is consistent with GAAP.
- 5. Applicant must provide an independent Certified Public Accountant (CPA)'s auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditor's report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. Applicant will submit the most recent audit available; only the most recent of FY2021 or FY2022 will be accepted. If Applicant receives at least \$750,000 in federal funds, a Single Audit is required pursuant to 2 CFR 200. The following types of audit findings may disqualify Applicant from funding:
 - a. Repeat and unresolved audit findings or any pending investigations.
 - If Applicant has received greater than \$750,000 in funding and the single audit did not meet the requirements of 2 CFR 200.500-520.
 - c. For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC) and, if Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.
 - d. If referenced in audit as a separate communication, no submission of management response letter-
 - e. If any findings, no submission of management response to findings.
- For Applicants that did not receive <u>prior</u> HOME Rehab funds <u>in PY 2022-2023</u>, the service provider must provide either an audit to the above standards or an independent CPA's review of financial statements.
- 7. Applicant shall have no significant financial audit findings, and (b) no significant outstanding or unresolved monitoring findings from any governmental entity, or from <u>MFAHousing New Mexico</u> or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, <u>MFA-Housing New Mexico</u> or otherwise, stating that the findings are in the process of being resolved.
- 8. Applicant shall have among its purposes, the staffing capacity to provide significant activities related to providing HOME Rehabilitation services to income qualified homeowners Therefore, Applicant must provide resumes of the executive director (or equivalent), accountant, program manager and case manager(s) who will be administering this grant. Applicant Capacity Exhibit A
- 9. Applicant shall not have defaulted on any obligation covered by a surety or performance bond.
- 10. Applicants who have received HOME Rehabilitation funds from <u>Housing New Mexico</u>MFA in the past but discontinued providing these services due to capacity, compliance and/or programmatic issues will be evaluated on a case-by-case basis by <u>Housing New Mexico</u>MFA to determine their capacity for receiving this funding.
- 11. Applicant must have a minimum of two (2) years of demonstratable history and familiarity with operating the type of activity related to providing housing or housing services to persons or households of low or moderate income for which it may receive funding. Experience Exhibit A
- 12. Applicant must be in "good standing" as of the date this NOFA was issued. To be in good standing, Applicant must not have "suspended," "debarred" or have had HUD's Limited Denial of Participation status conferred

upon it by <u>Housing New Mexico</u>MFA and/or other funding sources because of misconduct or alleged misconduct.

- 13. All applicants must have a Unique Entity Identifier (UEI) number and an active registration in the System for Award Management (SAM), found at https://www.sam.gov/portal/public/SAM/
- 14. Applicant must provide a print screen from https://www.sam.gov/portal/public/SAM/ and https://www.sam.gov/portal/pub
- 15. Applicant must have the capacity to attend all training related to administering this grant.
- 16. Applicants must provide proof of their business license.
- 17. Eligible Applicants can be located in any geographic area(s) within the State of New Mexico.

In addition to the eligibility requirements listed above, the following items are also required for eligibility:

- 18. Non-Profits only-Applicant must provide proof of its 501(c)(3) non-profit tax status.
- 19. Non-Profits only-Applicant must provide proof that it follows the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and must submit proof of current registration as a charitable organization with the New Mexico Attorney General's Office for fiscal year ending in 2023 or proof of exemption therefrom. Registration/verification may be obtained at https://secure.nmag.gov/coros/ Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
- 20. Non-Profits only-Applicant must have no part of its net earnings benefitting any member, founder, contributor or individual.
- 21. **Non-Profits only**-Applicant must have a Board of Directors or other governing body and provide information on its members (names, contact information, employer, and term).
- 22. Non-Profits only-Applicant must provide a Resolution of the Board of Directors or Governing Body authorizing Applicant to apply for the HOME Rehabilitation funding or where authority has been delegated, documentation of the same and proof of authority to apply for HOME Rehabilitation funding. If Tribal entity, submit a current tribal resolution showing approval for applying to the HOME Rehabilitation Program.
- 23. Non-Profits only-Applicant must provide proof that they have been operating for a minimum of two (2) years. Experience Exhibit A

ELIGIBLE ACTIVITIES

Approved service providerub recipients must comply with HOME Rehabilitation Program rules and regulations for the rehabilitation of eligible homeowner occupied projects. HOME Rehabilitation Program funds may be used only for reasonable and customary costs within program regulation that are directly attributable and traceable to the awarded project. Costs related to the rehabilitation of a qualified project are eligible and include the purchase and replacement of manufactured housing if deemed necessary.

REHABILITATION

HOME Rehabilitation Program funds may be used for eligible home improvement activities which include but are not limited to making energy saving conservation improvements, eliminating health and safety hazards, enhancing accessibility for a disabled or elderly person, structural alterations and reconstruction, repair or replacement of major housing systems, adding or replacing roofing, reconditioning plumbing, installing or replacing a septic system, and general property improvements that are non-luxury in nature.

For the HOME Rehabilitation Program, the home must be owned and occupied by the applicants and be the primary residence as evidenced by a title search and a deed. Title to the property must be held as fee simple ownership or a 99 year leasehold. Homes located on Tribal Land may have a 50-year lease or alternative acceptable to Housing New MexicoMFA. Any person(s) whose name(s) appears on the title to the property must agree to participate in this program and must sign the Restrictive Covenant/Tribal Land Agreement, as well as a li members of the household over the age of 18, must be included for income determination purposes. All property taxes must be current for non-tribal land.

The after rehab value of the home (as determined by appraisal or other method approved by MFA, such as a market analysisdescribed above) cannot exceed the HUD published 95% after rehabilitation median values for the unit, size, after rehabilitation. The method of determination is listed in detail on page 6 of this NOFA. The combination of an existing mortgage loan and HOME loan cannot exceed the after rehabilitation value of the home. On Tribal/Pueblo land Housing New MexicoMFA will accept a property valuation in lieu of a appraisal/county assessed value third-party appraisal.

Properties with a home equity mortgage lien on the property and properties located within the city limits of Las Cruces and Albuquerque are not eligible for this Program.

Both the City of Albuquerque and City of Las Cruces will be placed back into State jurisdiction for subrecipients to operate within should they elect to service Bernalillo or Dona Ana County. HOME Rule 92.201(b) says "the State must distribute HOME funds to rural areas in amounts that take into account the non-metropolitan share of the States total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the States approved consolidated plan." Housing New Mexico will monitor the needs of the state and will set limitations accordingly for metropolitan areas.

<u>Project Applications (setup)</u> — Upon execution of the Performance Agreement (master contract & FSA), a service provider can complete and submit individual project setup forms with all required documents included in the Project checklist. Under the provisions of this open NOFA, Housing New MexicoMFA staff will evaluate the project application using the Project document checklist listed in this NOFA (Exhibit B). Service providers will be allowed up to five (5) open project awards at any one time, unless otherwise approved by Housing New MexicoMFA.

Manufactured Homes

Mobile or manufactured homes are also eligible for rehabilitation under this Program. HOME funds may be used to purchase mobile or manufactured homes to replace homes that are too costly to rehabilitate. Under this Program, eligible manufactured housing must comply with Housing New Mexico MFA's Resource Efficiency Standards. Mobile or manufactured home rehabilitations or replacements are eligible only if the land they are set on has a minimum 99-year ground lease or is owned by the homeowner. The mobile home is ineligible for this rehabilitation program if it is in a mobile home park where a monthly lot fee is paid Additionally, the mobile/manufactured home must be placed on a permanent foundation at time of completion.

SUBCONTRACTORS

Eligible service providerub recipients shall not subcontract services for the management of the program performed under the Service Performance Agreement without the prior written approval of Housing New MexicoMFA. The only exceptions are for an EPA certified Risk and lead-based paint assessor, certified public accountant, and a general contractor's construction crews.

LEVERAGING AND MATCHING RESOURCES

It may take more than the "maximum" amount of HOME funds to adequately rehabilitate any single home. The intent of this Program is to provide more HOME funds to the lower income homeowners (0-80% AMI). To increase the number of families assisted with the limited HOME funds, MFA highly encourages leveraging with other resources such as USDA-Rural Development loans. Whenever possible, eligible service providers should coordinate with MFA's NM Energy\$mart Weatherization Program service providers to incorporate weatherization with all rehabilitation projects.

PROJECT RESERVATIONS

The reservation of funding of each project is subject to submission of a project application package including a completed reservation request form. The project application package must be uploaded to the secure data transfer website which may be accessed at https://mfa.internal.housingnm.org/FileTransfer Housing New MexicoMFA will not accept project application packages sent via U. S. mail, FedEx, UPS or physically delivered to the housing New MexicoMFA office. Applications will only be accepted through housing New MexicoMFA's prescribed document management system. housing New MexicoMFA's prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA of prescribed document management system. housing New MexicoMFA

Housing New MexicoMFA's commitment to fund each rehabilitation project will be subject to Housing New MexicoMFA approval as evidenced by a project acceptance notice which must be signed and acknowledged by the eligible subrecipientervice provider and returned to Housing New MexicoMFA via email. Once the project has been entered into HUD's IDIS system, a project number will be generated. The project number and Loan and Restrictive Covenants Agreement or Tribal Land Loan Agreement will be forwarded via email to the eligible service provider. Eligible service providers may then begin invoicing Housing New MexicoMFA for reimbursable expenses related to the project.

PROJECT FUNDING/REIMBURSEMENT

Service Provider may request funds by using <u>Housing New Mexico</u>MFA's Request for Reimbursement form. Requests for reimbursements are paid on a reimbursement basis.

All requests for reimbursements must have corresponding backup documentation such as a grant specific/project specific General Ledger, contractor/vendor invoices, material receipts, time sheets showing time spent providing project management, copies of check payments, etc.

Housing New Mexico will only accept a Request for Reimbursement that has the original authorized official signature and all corresponding backup documentation as well as the assigned 4-digit IDIS Project number.

Documentation that is insufficient or difficult to decipher will delay or halt the reimbursement process and may be

grounds for the entire request to be denied, then returned to the subrecipient for correction, to be resubmitted properly at a later date.

Requests for Reimbursement and all backup documentation are due every Friday by 5pm. This due date will allow adequate time for the Rehab Program Manager to review the documents and have them submitted to the Housing New Mexico Accounting Department by each Tuesday. This timeframe will also ensure that the agency receives payment by the following Friday of each week with the Direct Deposit option.

Note: Projects that have not drawn any funds within 90 days of the receipt of the email containing the project number may be canceled by Housing New Mexico.

The Subrecipient must hold back 10% of the final payment to the contractor until after final completion of construction work and all required documentation has been submitted. The holdback will not be drawn from IDIS or disbursed by Housing New Mexico until project completion.

Interim Funding Interim funding is subject to the following:

- · The submission of field inspection report including photos,
- · Copies of contractor payment request and/or material receipts,
- If invoicing for project management as a soft cost, submission of employee timesheets. Invoices will not be
 paid until all required documents are received and approved by MFA. Projects that have not drawn any
 funds within 60 days of the reservation verification letter may be canceled by MFA. The project must be
 completed within 180 days from the receipt of a project number from MFA.

Final Funding The final funding of each project is subject to the following:

- The submission of a HOME Completion Report
- The submission of a copy of the certificate of occupancy and/or final inspection from the proper code enforcement agency signed by the homeowner
- . The submission of the release of liens certification from the contractor
- The submission of the original recorded Loan and Restrictive Covenants Agreement or Tribal Land Loan Agreement
- Evidence of property ownership (Fee Simple or 99 year leasehold interest only)
- Evidence of flood insurance (if applicable)
- Copy of bid documents and advertisement
- Copy of executed construction contract with scope of work attached as an exhibit.
- Copies of lead-based paint risk assessment, notification certification(s), and clearance (if applicable)
- Environmental Review checklist and documents
- Completed file document-checklist.

Final invoices will be paid when all close-out documents are received and approved by <u>Housing New Mexico</u>. <u>Please</u> refer to the <u>Program Manual</u> and checklist for the detailed list of required documentation. MFA.

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PROJECT MINIMUM AND MAXIMUM FUNDING AMOUNTS

The minimum subsidy per unit for each tier is \$1,0500. Housing New Mexico has removed the recommended amount per project as each project is different. Within the program there are checks and balances in place to ensure that only necessary and reasonable items are being addressed in each project. Quality Control will be implemented along with these changes and random inspections will be performed to ensure that there is consistency throughout the program, across the state. Subrecipients can expect for Housing New Mexico staff to accompany them to perform initial walk through and scope of work at random. The mission of this program is to help as many New Mexicans as possible to create sustainable housing and we strive to use only what funding is needed per project. Therefore, Housing New Mexico will only approve project scopes that cover the recommendations of the HOME rehabilitation standards, bringing the property to code for sustainability. Cost reasonableness will be determined for each project per program regulation and subject to denial if it is determined not to be reasonable.

Additionally, if the subrecipient continuously provides projects that are not reasonable, creating continued additional review at the Participating Jurisdiction level (Housing New Mexico), creating unnecessary administrative burden, this subrecipient may be subject to award deduction, additionally program oversight and training requirements and up to reallocation of program funding if issues persist.

The maximum average of the HOME subsidy amount is \$95,000 per project. Actual construction costs (hard costs) are recommended at \$85,000. Soft costs are recommended at \$10,000.

Housing New Mexico will always remain below the Federal limits which are updated annually by HUD. Internal project limits will be determined by Housing New Mexico Leadership on basis of need and approved by Housing New Mexico Policy Committee. Projects may be denied if the cost is not below to the internal limit.

RESTRICTIVE PERIOD-OF-AFFORDABILITY

Each homeowner enters into a Loan and Restrictive Covenants Agreement or Tribal Land Loan Agreement. The terms of the agreement will vary depending on the cost to rehabilitate the home. The loan will be a non-amortizing, 0% interest loan that is due on sale, transfer, or refinance during the affordability-restrictive period. As long as the homeowner is in compliance with the requirements of the loan, the loan amount shall be reduced by 20% beginning on the anniversary date of the loan during the final S years of the restrictive period. For projects under \$50,000, the first 20% reduction would take place on the first anniversary of loan date, on the anniversaries of the loan date as follows:

- If the grant amount is from \$1 to \$24,999, the grant shall be reduced at a rate of twenty percent (20%) peryear for five years.
 - If the grant amount is from \$25,000 to \$40,000, the grant shall be reduced at a rate of ten percent (10%) per year for ten years.
 - If the grant amount is more than \$40,000, the grant shall be reduced at a rate of approximately six-pointseven percent (6.7%) for fifteen years.

Affordability Period for Homes receiving STB funding

- For assistance under \$25,000 there will be no lien placed against the home.
- The affordability period is five (5) years when the award is from \$25,000 to \$50,000

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The affordability period is ten (10) years when the award is from \$50,000 to \$95,000

For assistance over \$25,000 a non-amortizing, 0% interest loan will be placed on the home. The loan will be due on sale, refinance, or transfer during the affordability period. Loans will be forgiven at a rate of 20% of the principal balance of the loan per year during the affordability period placed on the loan (1/5th per year).

If applicable, any required repayments due to the sale, refinance, or transfer during the affordability restrictive period will be made directly to Housing New MexicoMFA.

The form of assistance for households earning no more than 80% of area median income (AMI) will be a non-amortizing, 0% interest subordinate loan. A lien will be placed on the property for actual hard construction costs only. Soft costs, administration fees and lead based paint activities will not be passed on to the homeowner.

ELIGIBLE BENEFICIARIES

Per HOME Rehabilitation Program guidelines, to be eligible to receive HOME Rehabilitation Program funding:

- Hthe home must be owned and occupied by the household as a principal residence. Proof of ownership is required.
- AThe annual household income of the homeowner must be at or below 80% of area median income (AMI) adjusted for family size as determined by the HUD and calculated pursuant to the HUD Part 5 (Section 8) guidelines. The income(s)s of all household members over 18 years of age are needed to determine income eligibility. All income and assets will be verified at time the eligibility is being determined.

The to be used to determine eligibility shall be those established by HUD and published annually. See the following HUD website:

https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_NM_2022.pdf

- The after rehab value new for existing HOME units ismay not exceed 95 percent of the median value issued annually by HUD, linked below: purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available nationwide for sale of existing housing in standard condition. See the following HUD website:
- HOME Homeownership Value Limits HUD
 Exchangehttps://www.hudexchange.info/resource/2312/home-maximum-purchase-price after-rehab-value/
- Home must pass and Environmental review to ensure it is not located within a flood plain or any other
 area deemed non-compliant to utilize federal funding.

FUNDING LIMITS AND RESTRICTIONS

HOME Rehabilitation Program awards are contingent on available funds. Housing New MexicoMFA, in its discretion, may set limits on the amount of funding to be awarded. Approved subrecipients ervice providers are limited to five (5) open project awards at any one time unless otherwise approved by Housing New MexicoMFA.

To meet <u>Housing New MexicoMFA</u>'s construction standards and HOME regulatory requirement, the minimum subsidy per unit is \$1,5000. The property must meet all construction standards upon final funding of the loan. The eligible <u>program administrator/subrecipientservice provider</u> will be responsible for guaranteeing that the work is properly inspected and completed. It will be the obligation of the eligible <u>program administrator/subrecipientservice</u>

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provider to ensure that the property meets all code requirements, construction standards and other HOME requirements, including but not limited to those associated with HOME Housing Quality Standards (HQS) or Uniform Physical Condition Standards (UPCS), and lead-based paint, the rehab standards (see manual) and in compliance with all federal/state/local code and ordinance, including upcoming issuance of NSPIRE policies from HUD.

All work must meet <u>Housing New Mexico</u>MFA and HUD Construction Standards, local building code and manufacturer's warranty requirements, and must be performed by a GB02 contractor and if working with mobile homes the contractor must be licensed for manufactured homes. Program funds can be used to secure a manufactured home to a permanent foundation.

ENVIRONMENTAL REQUIREMENTS

All projects are subject to an environmental review and must receive appropriate clearance prior to any fund's expenditure of HOME funding, including soft costs and lead based paint costs. Housing New MexicoMFA is the responsible entity for for approving all Part S8 Environmental Reviews for the HOME homeowner rehabilitation program all projects being performed by for profit and non-profit organizations and tribal housing authorities. Local governments and tribal entities (not tribal housing authorities) are their own responsible entity and are required to perform their own environmental reviews which need to be included in all reservation requests. Local governments and tribal entities must submit their Request for Release of Funds to MFA for approval (not to HUD). Housing New MexicoMFA will issue the Authority to uUse Grant Funds.

FLOOD INSURANCE

Properties located in floodplains or wetlands as identified by the Federal Emergency Management Agency (FEMA) shall be required to obtain and maintain flood insurance as a condition of receiving funding. At initial intake, service provider must provide verification that a property is not located in a flood plain.

ENVIRONMENTAL TESTINGLEAD BASED PAINT

Service providers must certify and comply with applicable lead-based paint, asbestos, and radon regulations listed in 24 CFR Part 35. Fees for testing and abatement cannot be passed to the homebuyer and are allowable expenses under HOME Rehabilitation Program.

On April 22, 2008, EPA issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, childcare facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Furthermore, Housing New Mexico has adopted policy for not only Lead based paint, but also asbestos and radon as previously mentioned. Please see the program manual for further information on compliance with these environmental factors.

OTHER FEDERAL AND STATE REQUIREMENTS

Service providers must meet Conflict of Interest Requirements as well as any other federal and state requirements applicable to the HOME Rehabilitation Program.

APPLICATION, SUBMISSION, AND TIMELY RECEIPT OF INFORMATION

NOFA AVAILABILITY

The NOFA will remain open as long as there are funds available. Applications can be submitted once the NOFA is released. If funds remain following the initial funding round, Housing New MexicoMFA will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications will be received on a first come, first served basis, and will be evaluated in chronological order based on the date received. If sufficient funds are not available to fund all submitted requests for funding, they will be awarded based on the date received. Housing New MexicoMFA will close the NOFA if funding is no longer available.

The HOME Rehabilitation Program NOFA applications and forms will be provided electronically and may be downloaded from Housing New Mexico MFA's website. https://housingnm.org/rfps/rfps-rfqs

Requested documentation must be provided, in order, according to the attached checklist Exhibit B. Forms provided by Housing New Mexico MFA must be used. All requested documents must be submitted as one electronic PDF document to marmijo@housingnm.org and include "HOME Investment Partnership Home Rehabilitation Program Application Submission" in the subject line.

APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

Applicant's service provider proposal submissions must be complete and include all information requested in the NOFA. All exhibits identified in this NOFA are included in the application checklists. Application checklists include but are not limited to the exhibits, documentation, schedules, audits, certifications, and disclosures.

Staff may contact applicants for clarification of the information provided. In the event of a tie score, staff will recommend approval based on need and what is best for achieving program objectives. Housing New Mexico MFA will enter into service performance agreements and related agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the HOME Rehabilitation Program.

<u>Service Provider Proposal (Application)</u> – (Exhibit A) Applicants must complete and submit the service provider application form with all required documents included in the service provider application checklist (Exhibit B). Under the provisions of this open NOFA, <u>Housing New MexicoMFA</u> staff will evaluate the application using the Minimum Qualifications and Requirements, and service provider evaluation and scoring criteria listed in this NOFA. Upon approval, <u>Housing New MexicoMFA</u> and the service provider will enter into a Performance Agreement. Upon execution of the Performance Agreement, project applications can be submitted for project awards.

IRREGULARITIES IN APPLICATIONS

Housing New Mexico MFA may waive technical irregularities in the application of any Applicant selected for an award which do not alter the price, quality or quantity of the services offered. Please note that the date and time of application submission as indicated herein under "Application Submission and Due Date" cannot be waived under any circumstances.

RESPONSIBILITY OF APPLICANTS

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

A responsible Applicant means an Applicant who submits an application that conforms in all material respects to the requirements of this NOFA and who has furnished, when required, information and data to support the application. Housing New MexicoMFA in its sole discretion, shall determine and otherwise verify Applicant's ability to make satisfactory delivery of the services described in this NOFA.

APPLICATION CONFIDENTIALITY

Housing New Mexico MFA-will not disclose the contents of any application or discuss the contents of any application with an Applicant or potential Applicant. The contents of any offer will not be disclosed to competing or potential Applicants. After awards have been made, and notice given to Applicant(s), all applications shall be made available and open to the public for review pursuant to the Housing New Mexico MFA-Inspection of Public Records policy and procedure.

APPLICATION REVIEW INFORMATION

EVALUATION OF APPLICANTS AND DOCUMENTATION

Housing New MexicoMFA staff will evaluate service provider applications using the Minimum Qualifications and Requirements, and service provider evaluation and scoring criteria as described in the following sections. Housing New MexicoMFA will follow its own policies and procedures to obtain the necessary award approvals. This Notice of Funding availability has been updated to remove territory competition. While the minimum qualifications and scoring criteria remain the same, we encourage as many applicants to apply for areas they are able to serve. Where we previously only allowed one subrecipient per county/tribal territory; we now encourage multiple applicants especially in under severed areas in hopes to reduce wait times for homeowners and increase productivity across the state.

Upon approval, <u>Housing New Mexico MFA</u> and the service provider will enter into a Performance Agreement with the term to be determined by <u>Housing New Mexico MFA</u> based on service provider capacity and other factors.

The Performance Agreement will include provisions for adequate security against the loss of HOME Rehabilitation Program funds in the event that a successful Applicant abandons or otherwise fails to complete a project and further will include remedies and default provisions in the event of the unsatisfactory performance by the successful Applicant.

SERVICE PROVIDER EVALUATION CRITERIA

The following criteria must be met by all Applicants to be considered an approved service provider to receive HOME Rehabilitation Program funding.

Qualified Applicants will submit a Service Provider Application Form (Exhibit A) which will be reviewed using the Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria listed in this NOFA.

Applicants must score a minimum of 70 points of the total points possible.

Staff may contact Applicants for clarification of the information provided.

MINIMUM QUALIFICATION AND REQUIREMENTS

- Be organized under state, local, or tribal laws and can provide proof of such organization and that Applicant is in good standing, as applicable;
- 2. A functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles or has a fiscal agent familiar with affordable housing programs and projects or in lieu of an audit, an independent CPA's review of financial statements, signed by the reviewer.
- 3. No significant financial audit findings, and no significant outstanding or unresolved monitoring findings from any governmental entity, or from Housing New MexicoMFA, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, Housing New MexicoMFA, or otherwise stating that the findings are in the process of being resolved.
- 4. Not having been suspended, debarred, or otherwise restricted by any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct.
- 5. Not having defaulted on any obligation covered by a surety or performance bond.
- 6. Insurance Requirements service provider applicants must maintain acceptable General Liability Insurance and work with qualified and licensed and bonded contractors.

Non-profit applicants must also provide proof of the following:

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

SERVICE PROVIDER SCORING CRITERIA

Maximum Score		
25		
30		
20		
15		
10		
100		

Financial Strength – 25 Possible Points

External Audit (10 possible points)

Unresolved findings	0
Independent Audit with management letter and auditor-cleared findings	5
Independent Audit with zero findings	10

Independent audit or audited financial statements must be for the most recent completed fiscal year, not ending earlier than 2022. Audit materials must include management's response to any findings and corrective action to clear the finding or provide details on the current status of a finding.

Financial Management (15 possible points)

Strength of internal control policy	10
Board of Director by-laws showing fiscal oversight	5

Provide the policy for the Applicant's system of internal controls for fiscal management as documented in a policies and procedures manual approved by the Applicant's Board of Directors/Owner.

Provide by-laws requiring Board of Director's/Owners fiscal oversight.

Construction and Rehabilitation Experience – 30 Possible Points

Complete the Field Experience and Capacity form and Project List in the

HOME REHABILITATION PROGRAM Project Application

Names and years of experience for Individuals	Years of Experience	Capacity/Role/Services	
that will be managing the program		Offered	
Number of Construction &/or Rehabilitation Projects Cor	mpleted for <u>Housing New N</u>	<u>lexicoMFA</u> 's HOME Program (10)
possi	ble points)		

0-4 units	0
5 plus units	5
7 plus units	7
10 plus units	10

Number of Construction &/or Rehabilitation Projects with other Federal Rehab Programs (10 possible points)

0-4 units	0
5 1 6 1 KG	

5 plus units	5
7 plus units	7
10 plus units	10

Number of Years' Experience with Construction and Rehabilitation Projects (10 possible points)

Less than 15 years of combined experience	5	
15 to 24 years of combined experience	7	
25 plus years of combined experience	10	

Implementation Plan – 20 Possible Points

Provide a summary of how the service provider will implement HOME Rehabilitation Program, a description of the process to be undertaken, listing all major steps chronologically. Also include an estimated timeline.

Implementation (20 possible points)

Executive Summary	5		
How home rehabilitation fits into service providers mission	10		
Quality Assurance Plan	5		

Service provider must provide property addresses for eligible homes Number of Projects on Waiting List (up to 15 possible points)			
1-5 Projects	5		
5-10 Projects	10		
10 or more Projects	15		

Underserved County Projects – 10 Possible Points

Full Points will be awarded to service providers who commit to providing home rehab services to two or more of the following counties:

San Juan	Harding	10
 McKinley 	• Quay	
 Cibola 	Guadalupe	
Rio Arriba	• Curry	
 Taos 	De Baca	
 Colfax 	Lincoln	
 Mora 	• Chavez	
 San Miguel 	 Roosevelt 	
 Union 	• Otero	
 Los Alamos 	• Lea	

OTHER INFORMATION

INCURRED EXPENSES

<u>Housing New Mexico</u>MFA shall not be responsible for any expenses incurred by an Applicant in applying for HOME Rehabilitation Program funding. All costs incurred by an Applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the Applicant.

PROTEST

Any Applicant who is aggrieved in connection with this NOFA or the notification of preliminary selection to this NOFA may protest to Housing New MexicoMFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the NOFA, including Housing New MexicoMFA's evaluation of proposals.

The protest must be delivered to Housing New MexicoMFA via e-mail marmijo@housing.org within five (5) business days after the preliminary notice of award. Protests received after the deadline will not be considered. Upon the timely filing of a protest, Housing New MexicoMFA shall give notice of the protest to all Applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Applicants receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest and responses to the protest shall be reviewed by the Housing New MexicoMFA Policy Committee, the Policy Committee shall either make a final determination.

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of Housing New MexicoMFA's Board of Directors, or any Housing New MexicoMFA staff member regarding any application under consideration, except when specifically permitted to present testimony to the Board. An application will be deemed ineligible if the Applicant or any person or entity acting on behalf of the Applicant attempts to influence members of the Housing New MexicoMFA Board of Directors or Housing New MexicoMFA staff during any portion of the NOFA review process or does not follow the prescribed application and protest process.

CODE OF CONDUCT

Applicants, including members of the Applicant's board, shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. The Applicant shall always conduct itself in a manner consistent with the Housing New Mexico-MFA Third-Party Code of Conduct. A copy of the Housing New Mexico-MFA Third Party Code of Conduct is posted on the Housing New Mexico-MFA website for review at https://housingnm.org/uploads/documents/Third Party Code of Conduct.pdf. Upon request by Housing New Mexico-MFA may reasonably request relating to conflicts or potential conflicts of interest.

USE OF ELECTRONIC VERSIONS OF THIS NOFA

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

HOME REHABILITATION PROGRAM NOTICE OF FUNDING AVAIBILITY (NOFA) FORMS

The HOME Rehabilitation Program NOFA and forms may be obtained from MFA's website.

The service provider application and project application must include all required forms, documentation, schedules, certifications listed on their respective checklists.

Any further changes to this NOFA may be made with Policy Committee review and approval.



HOUSING NEW MEXICO/ MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting Tuesday, November 12, 2024 at 1:30 p.m.

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

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED	
Recommended for Consent Agenda 1 Freddie Mac Certificate of Incumbency 2024 – Jeff Payne	3-0	YES	
Agenda 2 Financial Statement 9/30/24 Unaudited- Arundhati Bose	3-8	YES	
3 HOME funds status update- Donna Maestas-De Vries & George Maestas	3-2	NO	
<u>Information items</u>4 September 2024 Wire Transfers	/	NO	
5 September 2024 Check Register	/	NO	

Committee Members present:				
Derek Valdo, Chair	□ present	□ absent	Conference call	
State Treasurer Laura M. Montoya Lt. Governor Howie Morales/	present	☐ absent	□ conference call	
Proxy Martina C'de Baca	□ present	☐ absent	☐ conference call	

Hamander

New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

September 30, 2024 Unaudited

HOUSING NEW MEXICO (MFA) FINANCIAL REVIEW

For the twelve-month period ended September 30, 2024

COMPARATIVE FISCAL YEAR-TO-DATE FIGURES (Dollars in millions):		12 months 9/30/2024	12 months 9/30/2023	% Change Year / Year	Forecast 9/30/2024	Actual to Forecast
	PRODUCTION	-,,-,,	<u> </u>	<u>,</u>	<u>=, ==, == = :</u>	
1	Single family issues (new money):	\$520.0	\$315.0	65.1%	\$300.6	73.0%
2	Single family loans sold (TBA):	\$111.2	\$21.4	420.5%	\$24.4	356.3%
3	Total Single Family Production	\$631.2	\$336.4	87.7%	\$325.0	94.2%
4	Single Family Bond MBS Payoffs:	\$58.6	\$54.5	7.5%	\$59.8	-2.0%
	STATEMENT OF NET POSITION					
5	Avg. earning assets:	\$2,088.6	\$1,769.8	18.0%	\$1,985.3	5.2%
6	General Fund Cash and Investments:	\$104.5	\$107.5	-2.8%	\$117.4	-11.0%
7	SIC FMV Adj. (General Fund):	\$1.9	\$1.1	68.5%	N/A	N/A
8	Total bonds outstanding:	\$1,980.7	\$1,547.4	28.0%	\$1,712.5	15.7%
	STATEMENT OF REVENUES, EXPENSES, AND NET POSITION					
9	General Fund expenses (excluding capitalized assets):	\$32.8	\$26.5	23.6%	\$35.1	-6.6%
10	General Fund revenues:	\$40.1	\$34.3	17.0%	\$36.7	9.3%
11	Combined net revenues (all funds):	\$77.0	\$15.4	399.9%	N/A	N/A
12	SIC FMV Adj. (Combined net revenues):	\$2.2	\$0.8	186.7%	N/A	N/A
13	Combined net position:	\$378.0	\$301.0	25.6%	\$350.0	8.0%
14	Combined return on avg. earning assets:	3.69%	0.87%	323.6%	N/A	N/A
15	SIC FMV Adj. (return on avg. earning assets):	0.10%	0.04%	142.9%	N/A	N/A
16	Net TBA profitability:	1.74%	0.57%	207.4%	0.50%	248.7%
17	Combined interest margin:	0.87%	0.86%	1.7%	0.40%	115.6%
	MOODY'S BENCHMARKS		_			
18	Net Asset to debt ratio (5-yr avg):	23.92%	24.51%	-2.4%	24.82%	-3.6%
19	Net rev as a % of total rev (5-yr avg):	14.88%	10.75%	38.3%	8.98%	65.7%
	SERVICING		_		_	
20	Subserviced portfolio	\$2,556.2	\$2,126.6	20.2%	\$2,217.7	15.3%
21	Servicing Yield (subserviced portfolio)	0.39%	0.39%	0.1%	0.36%	9.0%
22	Combined average delinquency rate (MFA serviced loans)	8.42%	8.12%	3.7%	9.50%	-11.4%
23	DPA loan delinquency rate	8.56%	8.14%	5.2%	N/A	N/A
24	Default rate (MFA serviced loans)	0.88%	0.69%	27.5%	1.30%	-32.3%
25	Subserviced portfolio delinquency rate (first mortgages)	12.02%	12.18%	-1.3%	N/A	N/A
26	Mortgage Servicing Rights valuation cost difference (as of 9/30/24)	\$9.3	\$11.9	-21.6%	N/A	N/A

Known Trend/Immaterial

Positive Trend

Negative Trend

Caution

Legend:

HOUSING NEW MEXICO (MFA) FINANCIAL REVIEW

For the twelve-month period ended September 30, 2024

SUMMARY OF BOND ISSUES:

Single Family Issues:

2023D: \$125.0M 2024A/B: \$120.0M 2024C/D: \$125.0M 2024E/F: \$150.0M

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

PRODUCTION

- Housing New Mexico has closed a total of four bond-debt issuances since the beginning of the fiscal year, for a combined total of \$520 million. With extremely strong single-family mortgage production, bolstered in part by the release of the FirstDown Plus program, Housing New Mexico has exceeded its overall single-family production forecast (made in September 2023) by 73%.
- Although TBA-financed single-family mortgage production has paled in comparison to bond financing, Housing New Mexico has nevertheless sold a sizeable amount (\$111M) of loans through the TBA market and outperformed (in both value and ratio) the total in last fiscal year.

STATEMENT OF NET POSITION

- Average earning assets have exceeded last year's figure and forecast as Housing New Mexico continually adds valuable assets to its balance sheet from it's many programs.
- General Fund cash and investment securities were immaterially lower than last year. The discrepancy between the actuals and forecast from 9/30/2023 is attributable primarily to removal of securities from the Bond Ladder and overstatement of forecasted SIC investments.

STATEMENT OF REVENUES, EXPENSES AND NET POSITION

- General Fund expenses maintained under their budget, even though higher than last year's figure. Our combined net revenues see welcome gains due to the recognition of grant award income this fiscal year.
- Housing New Mexico's TBA funded-programs have seen a large increase in recognized profitability due to increased production from a more favorable market for non first-time homebuyers, allowing MFA to offer better mortgage rates than it has last year.

MOODY'S BENCHMARKS

• Based on Moody's issuer credit rating scorecard, Housing New Mexico's 23.92% 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 %). Housing New Mexico's net revenue as a % of total revenue (5-year average) has increased to 14.88%, which is identified to have favorable trends by Moody's (>10%). Moody's Investor Services completed an updated credit opinion on Housing New Mexico's Issuer Credit Rating in June 2020. They assigned the Aa3 rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed its Aaa rating on MFA's single-family indenture in January 2024.

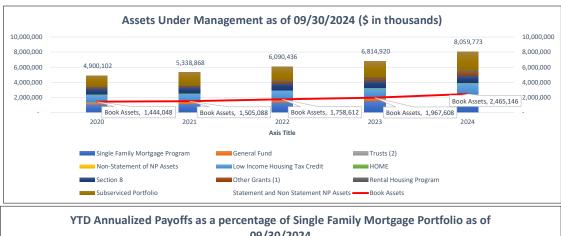
SERVICING

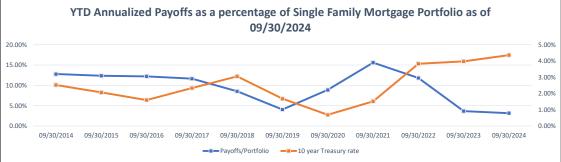
- Housing New Mexico continues to monitor delinquencies and defaults on our loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 12.02%. The subserviced portfolio is characterized by approximately 82% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of June 30, 2024, indicates that the delinquency rate for FHA loans nationally is 10.60%, and for New Mexico is 9.07%.

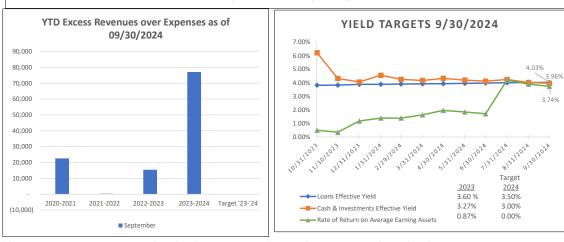
 In addition, HUD reported FHA Single Family Loan Performance Trends for August 2024 showing a 13.75% delinquency (for purchase loans only), which increased from 13.62% in July.
- (These figures can be used for market comparison, but may not align with trends seen internally).
- Housing New Mexico's annualized default rate is 0.88%, which noticably higher than last September, but also well below its forecasted rate of 1.30%. Recent trends in inflation and COVID-assistance moratorium cause macro-level changes in default rates over the past year.
- The fair market value for mortgage servicing rights as of September 2024 is \$32 million, a decrease of about \$2.8 million over the quarter and \$9.3 million over cost (\$22.7 million). GASB requires Housing New Mexico to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections. Additionally, increased earnings rates impacted the portfolio value positively. Valuations are obtained each quarter.

ADDITIONAL NOTES

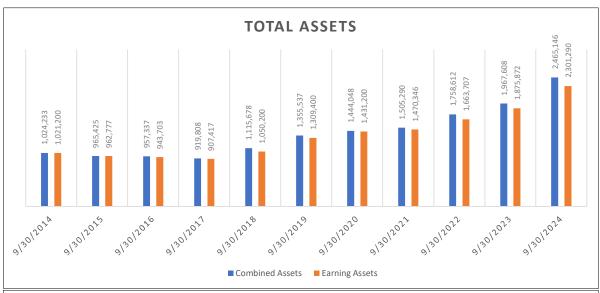
- Bond Payoffs, GF expenses, and servicing delinquency & default rates use an inverse scale to measure year-over-year change.
- The originally forecasted numbers for FY 2024 are based off of actual data ending September 2023.
- The colors in the comparison columns reference a materiality threshold of 10%, with a cautionary range between 10% and 25%.

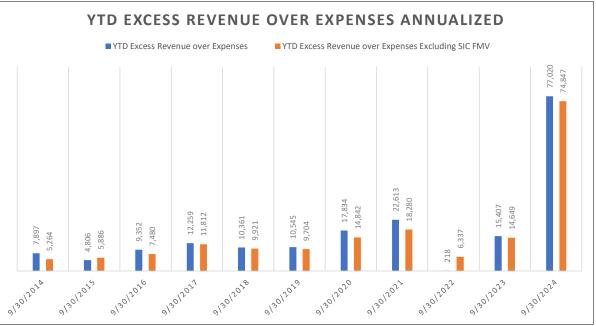


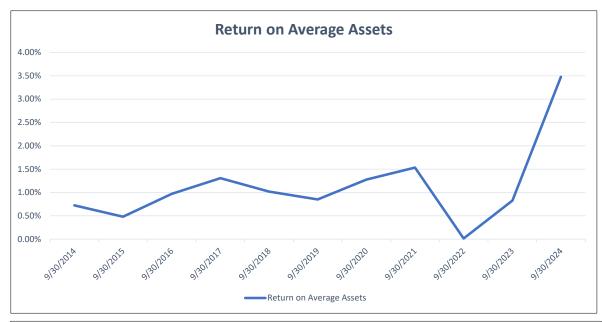


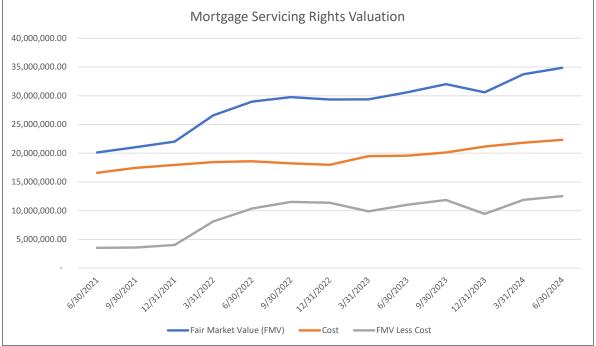


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership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









NEW MEXICO MORTGAGE FINANCE AUTHORITY COMBINED STATEMENT OF NET POSITION SEPTEMBER 2024 (THOUSANDS OF DOLLARS)

	YTD 09/30/24	YTD 9/30/23
ASSETS:		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS	\$103,691	\$52,514
RESTRICTED CASH HELD IN ESCROW	9,968	10,590
SHORT-TERM INVESTMENTS	-	-
ACCRUED INTEREST RECEIVABLE	8,008	6,002
OTHER CURRENT ASSETS ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	8,688	9,161
INTER-FUND RECEIVABLE (PAYABLE)	0	0
TOTAL CURRENT ASSETS	130,354	78,267
CASH - RESTRICTED	185,701	116,349
LONG-TERM & RESTRICTED INVESTMENTS	62,903	69,410
INVESTMENTS IN RESERVE FUNDS FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	- 1,836,250	- 1,467,093
MORTGAGE LOANS RECEIVABLE	220,834	211,128
ALLOWANCE FOR LOAN LOSSES	(8,996)	(9,540)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	15,879	11,601
OTHER REAL ESTATE OWNED, NET	5,744	2,497
OTHER NON-CURRENT ASSETS	8	10
INTANGIBLE ASSETS	23,403	20,641
TOTAL ASSETS	2,465,022	1,967,455
DEFERRED OUTFLOWS OF RESOURCES		
REFUNDINGS OF DEBT	124	153
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	2,465,146	1,967,608
LIABILITIES AND NET POSITION:		
LIABILITIES:		
CURRENT LIABILITIES:		
ACCRUED INTEREST PAYABLE	\$10,211	\$8,339
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	19,492	20,335
ESCROW DEPOSITS & RESERVES	9,727	10,370
TOTAL CURRENT LIABILITIES	39,431	39,045
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,980,706	1,547,359
MORTGAGE & NOTES PAYABLE	66,208	79,342
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	551	603
TOTAL LIABILITIES	2,086,895	1,666,349
DEFERRED INFLOWS	2,000,000	244
TOTAL LIAB/DEFERRED INFLOWS	2,087,110	1,666,593
NET POSITION:	45.070	
NET INVESTED IN CAPITAL ASSETS UNAPPROPRIATED NET POSITION (NOTE 1)	15,879 138,217	11,601 70,265
APPROPRIATED NET POSITION (NOTE 1)	223,940	70,265 219,149
TOTAL NET POSITION	378,035	301,015
TOTAL LIABILITIES & NET POSITION	2 465 146	1 067 609
TOTAL LIADILITIES & NET FUSITION	2,465,146	1,967,608

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

	YTD 09/30/24	YTD 9/30/23
OPERATING REVENUES:		
INTEREST ON LOANS	\$76,013	\$55,292
INTEREST ON INVESTMENTS & SECURITIES	10,682	7,481
LOAN & COMMITMENT FEES	5,035	3,499
ADMINISTRATIVE FEE INCOME (EXP)	7,299	5,584
RTC, RISK SHARING & GUARANTY INCOME	164	540
HOUSING PROGRAM INCOME	1,806	1,755
LOAN SERVICING INCOME	10,450	9,951
OTHER OPERATING INCOME		
SUBTOTAL OPERATING REVENUES	111,449	84,101
NON-OPERATING REVENUES:		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	1,992	579
OTHER NON-OPERATING INCOME	101	127
GRANT AWARD INCOME	163,114	103,553
SUBTOTAL NON-OPERATING REVENUES	165,206	104,259
TOTAL REVENUES	276,655	188,360
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	25,966	22,136
INTEREST EXPENSE	68,464	47,588
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(4,404)	(3,657)
PROVISION FOR LOAN LOSSES	7,729	420
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	221	165
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,857	2,018
BOND COST OF ISSUANCE	4,449	2,819
SUBTOTAL OPERATING EXPENSES	105,282	71,490
NON-OPERATING EXPENSES:		
CAPACITY BUILDING COSTS	366	160
GRANT AWARD EXPENSE	93,986	101,302
OTHER NON-OPERATING EXPENSE	-	-
SUBTOTAL NON-OPERATING EXPENSES	94,352	101,463
TOTAL EXPENSES	199,634	172,953
NET REVENUES	77,021	15,407
OTHER FINANCING SOURCES (USES)	0	
NET REVENUES AND OTHER FINANCING SOURCES(USES)	77,021	15,407
NET POSITION AT BEGINNING OF YEAR	301,015	285,608
NET POSITION AT 09/30/24	378,036	301,015

NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only) (in Thousands of Dollars)

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

UNAPPROPRIATED NET POSITION:

»_ \$	138.217	Total Unappropriated Net Position
\$	594	is held for New Mexico Affordable Housing Charitable Trust.
\$	100,830	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$	36,792	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.

APPROPRIATED NET POSITION: GENERAL FUND

By actions of the Board of Directors on various dates, General Fund net assets have been appropriated as follows:

\$	125,074	for use in the Housing Opportunity Fund (\$109,277 in loans and grants plus \$15,797 unfunded, of which \$8,867 is committed).
\$	17,895	for future use in Single Family & Multi-Family housing programs.
\$	1,030	for loss exposure on Risk Sharing loans.
\$	15,879	invested in capital assets, net of related debt.
\$	22,722	invested in mortgage servicing rights.
\$	34,346	for the future General Fund Budget year ending 09/30/25
\$	216,946	Subtotal - General Fund
_		

APPROPRIATED NET POSITION: HOUSING

•		TEB NETT COMON: NOCOMO
\$_	22,874	for use in the federal and state housing programs administered by MFA.
\$	22,874	Subtotal - Housing Program
\$	239,820	Total Appropriated Net Position
\$	378,037	Total Combined Net Position at September 30, 2024

Total combined Net Position, or reserves, at September 30, 2024 was \$378 million, of which \$138 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$240 million of available reserves, with \$104.5 million primarily liquid in the General Fund and in the federal and state Housing programs and \$135.3 million illiquid in the programs of the General Fund, have been:

- for use in existing and future programs
- for coverage of loss exposure in existing programs
- to meet servicing requirements, and
- for support of operations necessary to carry out the programs.

MFA's general plan for bond program reserves as they may become available to MFA over the next 30 years is to use the reserves for future programs, loss exposure coverage, servicing requirements and operations.

GENERAL FUND Fiscal Year 2023-2024 Budget For the twelve months ended 9/30/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Income	866,754		10,118,418	10,118,418	(12,780)	(12,780)	100.13%
Interest on Investments & Securities	292,167	, ,	3,577,794	3,577,794	57,583	57,583	98.39%
Loan & Commitment Fees	30,535		418,542	418,542	(56,354)	(56,354)	113.46%
Administrative Fee Income (Exp)	1,183,845		10,552,358	10,552,358	(1,154,012)	(1,154,012)	110.94%
Risk Sharing/Guaranty/RTC fees	108,409		50,338	50,338	(110,202)	(110,202)	318.92%
Housing Program Income	12,909		1,764,177	1,764,177	(39,606)	(39,606)	102.24%
Loan Servicing Income	1,043,540		10,137,304	10,137,304	(313,145)	(313,145)	103.09%
Other Operating Income		20, 100, 110	-	-	(010)1:0)	-	200.0070
Operating Revenues	3,538,158	38,247,446	36,618,931	36,618,931	(1,628,515)	(1,628,515)	104.45%
Gain (Loss) Asset Sale/Debt Ex	(65,630) 1,744,019	-	-	(1,744,019)	(1,744,019)	
Other Non-operating Income	-	100,562	60,235	60,235	(40,327)	(40,327)	166.95%
Non-Operating Revenues	(65,630) 1,844,582	60,235	60,235	(1,784,347)	(1,784,347)	3062.31%
Revenue	3,472,528	40,092,028	36,679,166	36,679,166	(3,412,862)	(3,412,862)	109.30%
Salaries	804,432	7,588,217	8,323,579	8,323,579	735,362	735,362	91.17%
Overtime	2,392	39,354	31,885	31,885	(7,469)	(7,469)	123.42%
Incentives	180,216	746,641	714,768	714,768	(31,873)	(31,873)	104.46%
Payroll taxes, Employee Benefits	347,719	3,488,410	4,381,069	4,381,069	892,659	892,659	79.62%
Compensation	1,334,759		13,451,302	13,451,302	1,588,680	1,588,680	88.19%
Business Meals Expense	264	2,699	13,900	13,900	11,201	11,201	19.42%
Public Information	50,255	326,590	361,909	361,909	35,319	35,319	90.24%
In-State Travel	14,390	103,147	141,581	141,581	38,434	38,434	72.85%
Out-of-State Travel	32,848	165,188	314,070	314,070	148,882	148,882	52.60%
Travel & Public Information	97,757	597,624	831,460	831,460	233,836	233,836	71.88%
Utilities/Property Taxes	29,790	187,571	210,562	210,562	22,992	22,992	89.08%
Insurance, Property & Liability	22,842	272,617	245,510	245,510	(27,107)	(27,107)	111.04%
Repairs, Maintenance & Leases	160,685	1,412,274	1,709,334	1,709,334	297,061	297,061	82.62%
Supplies	7,271	32,030	34,700	34,700	2,670	2,670	92.30%
Postage/Express mail	7,478	58,950	45,600	45,600	(13,350)	(13,350)	129.28%
Telephone	2,608	18,056	29,501	29,501	11,445	11,445	61.21%
Janitorial	4,027	42,548	89,139	89,139	46,591	46,591	47.73%
Office Expenses	228,025	1,950,131	2,325,571	2,325,571	375,440	375,440	83.86%
Dues & Periodicals	7,213	73,488	80,097	80,097	6,609	6,609	91.75%
Education & Training	2,300	79,672	173,193	173,193	93,521	93,521	46.00%
Contractual Services	118,017	1,193,747	1,458,632	1,458,632	264,885	264,885	81.84%
Professional Services-Program	53,668		115,900	115,900	(72,289)	(72,289)	162.37%
Direct Servicing Expenses	777,057	8,498,310	8,558,847	8,558,847	60,537	60,537	99.29%
Program Expense-Other	53,513		277,824	277,824	(81,500)	(81,500)	129.34%
Rebate Analysis Fees			1,590	1,590	1,590	1,590	
Miscellaneous	-	33,000	•		(33,000)	(33,000)	
Other Operating Expense	1,011,768		10,666,083	10,666,083	240,354	240,354	97.75%

GENERAL FUND Fiscal Year 2023-2024 Budget For the twelve months ended 9/30/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Expense	287,857	3,775,806	4,011,679	4,011,679	235,873	235,873	94.12%
Non-Cash Expenses	548,957	3,535,751	3,396,718	3,396,718	(139,033)	(139,033)	104.09%
Expensed Assets	117,179	268,215	173,350	173,350	(94,865)	(94,865)	154.72%
Operating Expenses	3,626,301	32,415,877	34,856,162	34,856,162	2,440,285	2,440,285	93.00%
Program Training & Tech Asst	66,810	218,168	103,242	103,242	(114,926)	(114,926)	211.32%
Program Development	151	148,274	136,300	136,300	(11,974)	(11,974)	108.78%
Capacity Building Costs	66,961	366,442	239,542	239,542	(126,900)	(126,900)	152.98%
Non-Operating Expenses	66,961	366,442	239,542	239,542	(126,900)	(126,900)	152.98%
Expenses	3,693,262	32,782,319	35,095,704	35,095,704	2,313,385	2,313,385	93.41%
Excess Revenue over Expenses	(220,734	7,309,709	1,583,462	1,583,462	(5,726,247)	(5,726,247)	461.63%

GENERAL FUND CAPITAL BUDGET Fiscal Year 2023-2024 Budget For the twelve months ended 9/30/24

	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 %
2690 PURCHASED SERVICING RIGHTS	329,399	4,411,944	4,861,732	4,861,732	449,788	449,788	90.75%
2950 COMPUTER HARDWARE	-	78,989	105,324	105,324	26,335	26,335	75.00%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	581,453	581,453	778,500	778,500	197,047	197,047	74.69%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	1,741,266	3,784,468	3,442,189	3,442,189	(342,279)	(342,279)	109.94%
Capital Budget	2,652,118	8,856,854	9,187,745	9,187,745	330,891	330,891	96.40%

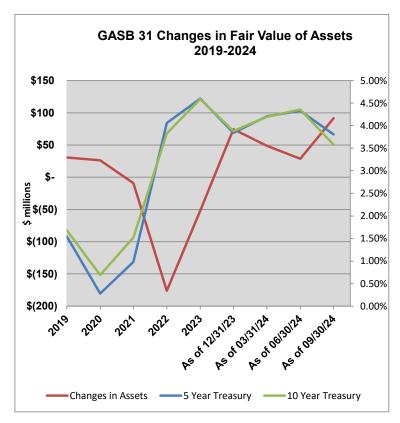
New Mexico Mortgage Finance Authority HOUSING OPPORTUNITY FUND (HOF) Unobligated Balance as of September 30, 2024

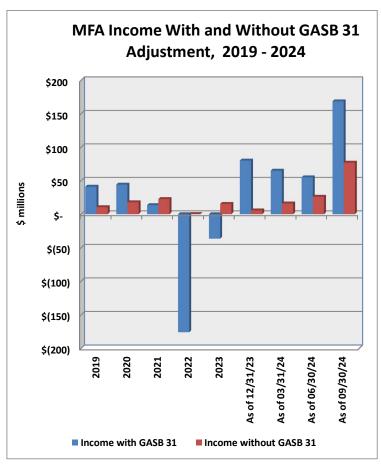
Description	Access Loans	BUILD IT Loan Guaranty	DPA Mortgages	Emergency Housing Needs Grant	Emerging Markets	HERO 1st Mortgages	Partners Loans	Primero Loans	Primero Loans PRLF	Primero Working Capital Loans	Total
AVAILABLE BALANCE 3/31/24	(226,334)	0	(445,409)	446,610	0	(0)	542,886	5,655,371	3,083,724	0	9,056,848
ADD RECEIPTS FY24:											
General Fund Authorized	0	0	5,000,000	0	0	0	1,945,000	0	0	0	6,945,000
Third-Party Awards	0	0	0	0	0	0	0	0	0	0	0
Current Year Appropriations	(1,939,000)	0	1,964,026	0	0	(33,026)	284,000	(1,201,000)	925,000	0	0
Loan Repayments	1,693,985	0	4,778,367	0	0	33,027	147,731	7,679	33,178	0	6,693,966
LESS DISBURSEMENTS FY24:											
Loans Funded	0	0	(6,095,839)	0	0	0	(192,024)	0	(610,765)	0	(6,898,629)
Grants Funded	0	0	0	0	0	0	0	0	0	0	0
Transfers											0
TOTAL UNUSED FUNDS 9/30/24	(471,349)	0	5,201,145	446,610	0	(0)	2,727,592	4,462,050	3,431,137	0	15,797,185
FUNDS COMMITTED 9/30/24	0	0	937,707	125,000	0	0	801,273	4,500,000	2,503,270	0	8,867,250
AVAILABLE BALANCE as of 9/30/24	(471,349)	0	4,263,438	321,610	0	(0)	1,926,319	(37,950)	927,867	0	6,929,936
Number of Units/Loans Outstanding at 9/30/24	1,515		13,200			11	86	87	238		15,137
Units/Loans Funded Since Inception	1,649	105	25,530			63	259	3,463	259		31,328
Units/Loans Funded Current Year as of 9/30/24	-	- 103	183	-	-	-	2	-	-	-	185
Loans/Grants Funded since Inception	31,522,224	0	174,140,052	0	0	9,258,705	14,070,722	19,052,318	2,546,730	35,000	250,625,751
Loan Amount Outstanding at 9/30/24	21,949,349	0	81,609,743	0	0	1,002,265	2,430,408	138,991	2,092,863	0	109,223,619
Loan Yield at 3/31/24	5.84%	0.00%	5.96%	0.00%	0.00%	5.16%	0.00%	3.55%	2.14%	0.00%	5.72%
Loan Loss Allowance at 9/30/24			8,996,410					78,344			9,074,754
Loan Write-offs since Inception	0	0	8,970,567	n/a		0	0	662,777	0	0	9,633,344
Loan Loss Provision Current Year as of 9/30/24			7,838,834					0			7,838,834

13 HOF Stats 2024.xlsx

New Mexico Mortgage Finance Authority

Effect of GASB31 on Financials





New Mexico Mortgage Finance Authority Loan and Credit Line Activity As of 9/30/2024

Lender	Purpose	Collateral	Board Authorization Date	Authority Limit	Outstanding 6/30/2024	Advances	Repayments	Outstanding 9/30/2024	Maturity	Interest Rate as of 09/30/2024	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio	March 2018	5,000,000	-		-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline	October 2017	60,000,000	38,000,000	260,000,000	256,000,000	42,000,000	7/1/2024	4.88%	561,695
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities	October 2017	25,000,000	15,000,000			15,000,000	12/2/2024	5.41%	207,460
Main Bank	Loan for Building on Jefferson	Jefferson Building	May 15, 2023	8,000,000	7,290,720		167,912	7,122,808	5/15/2033	4.26%	78,436
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	September 2015 April 2014, March	2,125,000	531,250	172,542		703,792	5/15/2051	1.00%	1,368
SBIC	Capitalize Primero Loan Fund	None	2019, September 2023	3,500,000	-			-	11/30/2028	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None	October 2011	850,000	-			-	12/7/2023	2.00%	
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	May 2011	2,000,000	1,381,636			1,381,636	1/20/2042	1.00%	3,473
	TOTAL			101,475,000	62,203,607	260,172,542	256,167,912	66,208,237			852,432





TO: Housing New Mexico Board of Directors

Through: Finance Committee – November 12, 2024 **Through:** Policy Committee – November 5, 2024

FROM: Donna Maestas-De Vries, Chief Housing Officer, and

George Maestas, Housing Development Director

DATE: November 20, 2024

SUBJECT: Status update of HOME Funds

Background:

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

At the August 2024 board meeting, staff requested and received approval to allocate the 2024 HOME funds as follows:

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

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

The current allocation included the 2024 HOME allocation in the amount of \$5,009,839, the carryforward of \$10,831,653 from the previous year in addition to \$4,262,615 of program income from repayment of outstanding loans. The combined total available allocation is \$20,104,107. The carryforward amount consists of unused administrative fees, unused homeowner development allocation, HOME rehab funding that was not allocated through the NOFA, and rental development funds that have not been allocated to a specific project.

The board requested that staff provide an update of the funding status including commitments and expenditures at the November 2024 board meeting.

Discussion:

Attached to the memo is a table showing the status of the HOME funds as of November 4, 2024. In addition to the FY2025 allocation of \$20,104,107 there was FY2024 funding was already committed to specific projects and service providers. Even though Housing NM currently has \$23,800,412.11 available HOME funds to be committed to projects, there is little risk of returning any funds to HUD. The next deadline occurs in September 2026 for 2018 remaining funding of \$87,743.08 which will be spent within the next couple of months. Expenditures deadlines range from 2026 through 2032 for the existing allocations.

Housing NM's HOME Rehab and Rental Development programs were put on hold for a couple of years during the COVID pandemic. This resulted in excess funds that were not spent and added to the carryforward. To follow is an update of each of the HOME programs, as well as some ideas of new programs that could be created to use the funding.

HOME Rehab program:

The HOME rehab program provides home repairs and upgrades for qualified homeowners. This program, for the most part, was put on hold from 2020 through mid-2022, as homeowners did not want workers in their homes during the COVID 19 outbreak. In mid-2022, our service providers had to reinstate the program by hiring new staff and re-establishing the application pipeline.

The HOME Rehab program manager has worked with a HUD technical assistance provider to revise the program in order to spend funds more quickly and efficiently. The NOFA changes were presented in this board meeting. Changes to the program include increasing the per house rehab amount from \$95,000 up to \$160,000 and in some cases up to \$199,999, removal of service provider territories, adding the city of Albuquerque to the program, and an increase of admin fees to the providers. Staff believe that with the approved revisions, the 2024 HOME rehab allocation will be allocated and most of the funds spent within the program year.

Housing Development HOME funds:

In the rental development program, there was a delay in loan closings over the last few years due primarily to the volatility of construction costs. Construction material, labor and insurance costs have all increased significantly, and there were also supply chain issues that affected the projects. HOME is a popular source of gap funding for Rental Development projects and the Housing Development Department has recently increased its HOME loan limits by 25%; gap funding loans for 9% LIHTC projects have increased from \$400,000 to \$500,000, loan limit for projects outside of the 9% round has increased from \$800,000 to \$1,000,000 and the limit for Community Housing Development Organization (CHDO) loans has increased from \$1,000,000 to \$1,250,000. Housing Development anticipates that the majority of the HOME Rental funds will be awarded and/or committed to projects this

upcoming program year as the projects are now moving forward at close to pre-COVID timelines. The construction time for these large multifamily projects can take a couple of years, therefore expenditure times lag slightly behind the commitment dates.

Projects requesting HOME Rental funds that have been approved, applications under review, and those in preapplication stages are expected to generate higher fund usage than seen in recent years.

Board Approved HOME loans that have not been Committed (closed):

Mariposa Apartments- \$1M Belen Vista Apartments- \$1M Ocate Apartments- \$400K Country Club Apartments- \$400K Elk Meadows- \$4K

<u>Total: \$3,200,000</u>

Housing Development Pipeline:

Current 4% LIHTC Applications with HOME requests, not yet approved:

Peachtree Canyon II – \$800K Sunset 1600 - \$1M West Mesa Ridge - \$2M

Approved projects with an ANCIPATED additional HOME request

HOME Rental requests (\$2M x 2) - \$4.0M Anticipated (forecasted) 2025 9% LIHTC Round HOME requests (x3)

HOME Rental requests ($$500K \times 2$) - \$1.0MHOME CHDO request $\times 1 - $1.25M$

Total: \$10,050,000

Summary:

Due to the COVID 19 pandemic both Housing NM's HOME programs; Rehab and development gap funding, were put on hold for a couple of years. This created a high balance of unspent funds. At the same time, Housing NM continued to receive the annual allocations from HUD and program income from past projects which further increased the balance. Staff will implement the program changes to increase per home rehab limits and the rental development loan limits to expediate the project commitments and spending. Staff are considering new program ideas that are being researched. We believe that most of the funds will be committed in this program year, we plan to monitor progress, while continuing to evaluate new programs for implementation in the event the existing programs experience any delays.

HOME Investment Partnership Funds

As of 11/04/2024

	Annual Allocation &			Amount Available to			Amount Available
Grant Year	Program Income	Commitment Deadline	Amount Committed	Commit	Expenditure Deadline	Amount Disbursed	to Disburse
Pre-2015	157,540,390.73	9/30/2016	157,540,390.73	0.00	9/30/2019	157,540,390.73	0.00
2015	3,332,253.00	9/30/2017	3,332,253.00	0.00	9/30/2023	3,332,253.00	0.00
2016	4,793,572.06	9/30/2018	4,793,572.06	0.00	9/30/2024	4,793,572.06	0.00
2017	4,578,660.50	9/30/2019	4,578,660.50	0.00	9/30/2025	4,578,660.50	0.00
2018	6,971,768.39	Waiver due to Covid	6,971,768.39	0.00	9/30/2026	6,884,025.31	87,743.08
2019	5,466,790.67	Waiver due to Covid	5,466,790.67	0.00	9/30/2027	4,066,487.96	1,400,302.71
2020	6,428,287.21	Waiver due to Covid	4,383,173.29	2,045,113.92	9/30/2028	4,647,986.34	1,780,300.87
2021	7,667,944.63	Waiver due to Covid	4,326,755.27	3,341,189.36	9/30/2029	3,072,279.06	4,595,665.57
2022	9,877,464.95	Waiver due to Covid	2,996,075.98	6,881,388.97	9/30/2030	1,834,359.67	8,043,105.28
2023	7,269,035.56	Waiver due to Covid	2,564,235.74	4,704,799.82	9/30/2031	1,695,157.86	5,573,877.70
2024	6,827,920.04	9/30/2026	0.00	6,827,920.04	9/30/2032	0.00	6,827,920.04
							·
Totals	\$ 220,754,087.74		\$ 196,953,675.63	\$ 23,800,412.11		\$ 192,445,172.49	\$ 28,308,915.25





TO: Housing New Mexico Board of Directors

Through: Strategic Management Committee October 24, 2024

FROM: Arundhati Bose, Chief Financial Officer

Donna Maestas-DeVries, Chief Housing Officer

Jeff Payne, Chief Lending Officer

DATE: November 20, 2024

SUBJECT: Strategic Plan Benchmarks Closeout Fiscal Year 2024

Recommendation:

Staff recommends the approval of the Strategic Plan Benchmarks Closeout for fiscal year 2024.

Background:

MFA's 2021-2025 Strategic Plan establishes performance benchmarks for staff. Benchmarks are approved by the Board of Directors each year and closed out annually. Benchmarks are reviewed quarterly by the Strategic Management Committee, which includes department directors and senior management.

Discussion:

The Strategic Management Committee met on October 24, 2024 to complete the quarter 4 updates. There are a total of 31 benchmarks for fiscal year 2024, 30 benchmarks were met or exceeded, and 1 benchmark was not met.

The details of each benchmark are included in this memo for reference.

Summary:

Staff met or exceeded 30 of 31 benchmarks. Staff recommend the approval of the Strategic Plan Benchmarks Closeout for fiscal year 2024.

MFA Strategic Plan Benchmarks FY 2024

Goal 1 - Create affordable housing opportunities that support and strengthen New Mexico's communities



Benchmark: 1

Benchmark: Provide mortgage financing for 1,800 homebuyers.

- Q1 On Target | MFA financed 580 homebuyers in Q1 of FY 2024 and 580 homebuyers YTD.
- Q2 On Target | MFA financed 598 homebuyers in Q2 of FY 2024 and 1,178 homebuyers YTD.
- Q3 On Target | MFA financed 610 homebuyers in Q3 of FY 2024 and 1,788 homebuyers YTD.
- Q4 Met | MFA financed 424 homebuyers in Q4 of FY 2024 and 1925 homebuyers YTD.



Benchmark: 2

Benchmark: Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico.

On Target |

The MFA quarterly product utilization reported for Q1 is 42.17% for a YTD average of 42.17%.

*MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase.

On Target |

Q2 The MFA quarterly product utilization reported for Q2 is 34.6 % for a YTD average of 41.5%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase.

On Target |

Q3 The MFA quarterly product utilization reported for Q3 is 50.67% for a YTD average of 46.09%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase.

Met I

Q4 The MFA quarterly product utilization reported for Q4 is 22.02% for a YTD average of 40.42%. *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 1,800 rental and homeownership units.

On Target |

Q1 In Q1, Housing Development financed the development of 321 multifamily units and 6 single-family units, Policy and Planning supported the preservation of 5 units through the Housing Innovation Program, and Community Development rehabilitated or weatherized 399 units. The YTD total of units developed and/or preserved is 731.

On Target |

Q2 In Q2, Housing Development financed the development of 358 multifamily units and 0 single-family units, and Community Development rehabilitated or weatherized 174 units. The YTD total of units developed and/or preserved is 1,263.

On Target

Q3 In Q3, Housing Development financed the development of 56 multifamily units and no single-family units, and Community Development rehabilitated or weatherized 183 units. The YTD total of units developed and/or preserved is 1,502.

Met I

Q4 In Q4, Housing Development financed the development of 164 multifamily units and 35 single-family units, and Community Development rehabilitated or weatherized 161 units. The YTD total of units developed and/or preserved is 1,827.

Renchmark: 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%).
- Q2 On Target |

In Q2, 1,018 unduplicated ESG clients were served. Of those, 347 exited to permanent housing (32%). YTD total served is 1,761, with 643 exiting to permanent housing. YTD rate is 37%

On Target |

Q3 In Q3, 758 unduplicated ESG clients were served. Of those, 241 exited to permanent housing (32%). YTD total served is 2,519, with 884 exiting to permanent housing. YTD rate is 35%

Met |

Q4 In Q4, 789 unduplicated ESG clients were served. Of those, 260 exited to permanent housing (33%). YTD total served is 3,308, with 1,144 exiting to permanent housing. YTD rate is 35%.

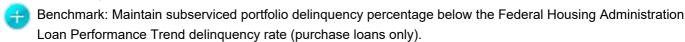


Benchmark: 5

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
- Q2 On Target | MFA combined average delinquency rate is at 6.82% as of 3/31/2024 FY Q2.
- Q3 On Target | MFA combined average delinquency rate is at 8.37% as of 6/30/2024 FY Q3.
- Q4 Met | MFA combined average delinquency rate is at 8.42% as of 9/30/2024 FY Q4.

Benchmark: 6



Caution

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

On Target |

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

On Target |

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

Met |

Q4 Subserviced portfolio delinquency as of 9/30/2024 equals 12.02% which met the benchmark of 13.75% (delinquency rate per 8/31/2024 FHA performance report).

Benchmark: 7

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

On Target |

Implemented LucidChart so that each grant program at MFA will have a process map - completion of process maps and end of LucidChart

Q2 use expected around 8/15/2024. Housing Development met with Builder's Patch to evaluate their software program. Additionally as a

business model a blend of Taxable and Tax Exempt Bonds was created for the first time at MFA. A Financing Tool was utilized to apply

Surplus Funds to ensure COI payments were directed from it further bolster liquidity for MFA GF. YTD 4

Met |

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

Q4 Met |

HD evaluated the Land Title Trust Fund (LTTF)NOFA and recommended updates and program improvements to Board for approval. Also worked with Arundhati to increase available LTTF funding for housing initiatives by remitting interest on the capital fund.

HD evaluated Amplifund for use with HD funding applications including LIHTC. YTD 8

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



Benchmark: 8

Benchmark: Achieve 8,400 social media engagements.

- Q1 On Target | Q1 3,508 social media engagements.
- Q2 On Target | Achieved 3,779 social media engagements for Q2, YTD 7,287.
- Q3 On Target | Achieved 6,469 social media engagements for Q3, YTD 13,756
- Q4 Met | Achieved 4,841 social media engagements for Q4. YTD = 18,597



Benchmark: 9

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

On Target I

- NM Energy\$mart entered into contract with Red Feather to provide weatherization services specifically on the Navajo Nation territory. Funded a substance use disorder center under the Recovery Housing Program in Gallup. YTD: 2
- Q2 On Target | No updates
- Q3 Met | Housing Innovation award to Ohkay Owingeh Pueblo Housing Authority for workforce housing rehab.
- Housing Innovation award to Forget Me Not Park located in rural Socorro County for transitional veteran housing.

 Met | Primero Investment Fund loan approved for single family Project in Vado, NM YTD 5

Benchmark: 10



Benchmark: Conduct outreach to and/or assist at least 100 local governments, tribal governments, potential new program partners and/or elected officials.

On Target |

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

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

Q1

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

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

Q2 Met l

P+P - Outreach for Single Family Development Grant Pilot Program: Southwest NMCOG, Town of Silver City, Ridge at Eastland Hills, San Felipe Pueblo Housing Authority, Ohkay. Environmental reviews: McCurdy County, Homewise, Tierra Del Sol, Albuquerque Housing Authority, Thomas Development Corp., and Albuquerque Healthcare for Homeless; program partners and elected officials Kirtland Partnership, Ventana Fund, met with 5/5 offices of the New Mexico federal congressional delegation, state representatives Alcon, Anyanonu, Armstrong, Borrego, Cates, Dixon, Hembree, Herndon, Matthews, Montoya, Rehm, and state senators Burt, Campos, Gonzales, Hamblen, Correa Hemphill, Hickey, Ivey-Soto, Maestas, McCutcheon, McKenna, Munoz, Nibert, Ortiz y Pino, Padilla, Pope, Rodriguez, Schemedes, Sedillo Lopez, Steinborn, and Tallman; Housing Innovation outreach to Ceasar Foundation, Many Hands, Cuido Los Ninos, San Felipe Pueblo, Sanitary Tortilla Factory, Chris Baca (not Yes Housing), P+P Total 54 for Q2. CDD conducted outreach at the NAEH Conference in San Francisco which resulted in participated of the Hope the Mission bike tour; met with UNM staff to discuss funding opportunity through RHP; met with the Carmichael Associates collaborative to discuss homeless prevention activities; outreach and networking at the HOME Conference in D.C.; met with Laura Ponce from TX and Southwest Regional about coordinating state to state peer exchange; and did email blast and press release for the launch of HIP. CDD Q2 total: 8. Housing Development met with Francis Bee re: Gallup housing. Tony Baca of BacaGrande System Built re: Angelfire housing. Rick Davis re: SF development. BBF Live re: potential Las Cruces projects. Chuby Tafoya re: SF development in Taos. Erica Cummins and Renee Ward from DFA on 1/29 to discuss the Uptown project in Albuquerque. Jay Rembe re: a new MF project in Albuquerque. Jackie Dunlap, a real estate Investor/Developer re: a rehab project in Grants. Solstainable Builders re: SF Development in Taos. Albuquerque Housing Authority re Casitas de Camino project. China Osbourne of the COA's Preservation department re: funding opportunities for historic properties. Emergent Development to discuss a possible 4% project. Greater Gallup EDC and a manufacturing company out of California to discuss a potential project in Gallup. Kent Thurston re: SF Development in Las Cruces on 3/27. Tierra del Sol re: Vado New Horizons project; and Synergy CDC re: a potential 4% project. HD total for Q2: 16

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

Met |

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

Q3 PP Staff Outreach P+P met with Representative Marrian Matthews, ROC USA, NM Housing Alliance, NMSU Extension Annual Health Fair, NMBA Bankers Forum, Santa Rosa/Gaudalupe County, Northern NM College, NM CEH, NM Eviction Prevention and Diversion, HCA/BHSD Supportive Housing Retreat, Mesilla Valley Community of Hope and Senator Carrie Hamblen, City of Las Cruces, City of Albuquerque, Crooked Forest Institute (4/1/2024- Housing Innovation), Dave Tomlin (4/3/2024- Housing Innovation), Santa Fe Chamber of Commerce Business Expo (4/18/2024- MFA exhibitor table), MFA, Kirtland Partnership Community & Office of Local Defense Community Cooperation (4/24/2024), Gallup Housing Summit (4/26/2024), Energy Conservation Management Division (4/29/2024- PRICE Collaboration), PRICE Partner Engagement Session (5/2/2024), PRICE Tribal Partner Engagement Session (5/2/2024), Chavez Team Albuquerque (5/8/2024- Housing Innovation), Supportive Housing Coalition (5/15/2024- Housing Innovation), NM Black Leadership Council (5/23/2024- Legislative Session), Albuquerque Community Foundation (6/3/2024- PRICE), City of Carlsbad (6/17/2024- Planning grant opportunities), Dona Ana County (6/17/2024- Planning grant opportunities), Village of Angel Fire (6/2024 – CPF), MU Crossing LLC (6/2024 – CPF). HD met with Namu Development, Synergy CDC and the Calvin Organization, all developers interested in working in NM, in the 3rd Quarter. HD presented at the NWNMCOG (4/17/24). Q3 Total: 138. YTD 262

Q4 Met |

PP McKinley County, Guadalupe County and Sandoval County with initial inquiries regarding the Affordable Housing Act; met with the following nine entities and individuals about the Housing Innovation Program: Village of Ruidoso, Adelante Development Center, Barret House, Southwestern New Mexico Council of Governments, Habitat for Humanity Santa Fe, City of Las Cruces, High Desert Housing, Warren Thompson, and Daniela Kuris; met with McNell Brothers Property Group as a potential applicant for the CPF grant funding; Housing New Mexico has hosted three listening sessions to meet with local governments, COGs, partners, lenders, and other housing leaders in Roswell which included Chaves County, Village of Ruidoso, City of Carlsbad, City of Clovis, NM Economic Development Department, and legislative staff from Lea County. The Gallup listening session included Gallup Land Partners, City of Gallup, Battered Families Services, Gallup Housing, Tohatchi Chapter, City of Farmington, NWNMCOG, Gallup Chamber, SWNAC, Waterstone, Cedar & Ivy Realty Group, and McKinley County. The Espanola listening session included Los Alamos Economic Development, Espanola Pathways Shelter, City of Espanola, and the Maki Realty Group. HD: Met with Representative Rod Montoya and prospective developers in Farmington to discuss loan/LIHTC programs and MFA application process/timeline. Met with Art Hernandez SF Development. Met with Bank of Albuquerque and Provide Initial Information on SF Development Funding and Tribal Land. Met with Angel Fire Developers to Discuss SF Program. Met with Aaron Maynard on a Potential Modular Home Rental Project in T or C. Discussed grant funding opportunities with the City of Las Cruces for their new PSH project. Discussed SF development loans with Crosstown Ministries in Las Cruces. Met with Warren Thompson, a developer in Santa Fe, to discuss single-family development loans. Met with Artspace. Met with TWG & Santa Fe County (29 for the quarter). CDD conducted the following outreach activities: SHC "All About Vouchers" presentation on LEP 9/12; ROC ad in September NM Counties News Brief; Hubspot blast for ROC 8/1/24; Debbie Johnson/Tenderlove (RHP) 7/25; ribbon-cutting for Serenity Mesa (RHP) 8/22; Santa Fe Community Housing Trust (HOPWA) 9/9; Lisa Howley/BHSD (RHP) 9/13; David G has worked with Marketing and Planning to invite dignitaries to Weatherization Day; Troy participates monthly in NM Decarbonization Roadmap with Gridworks that includes stakeholders for many industries; LEP/City of ABQ Press Conference 8/16; Mark Fidel for land opportunities in Grants 9/13; Leann attended the 67th NMML Annual Conference and met with multiple municipalities throughout the state to discuss HOME rehab and tentative future territory removal to plant seeds of additional provider possibilities 8/13-8/15/24. (11 for the quarter) YTD 302

Benchmark: 11



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

On Target |

Met |

- CDD conducted 13 Peer Exchanges/Networking Meetings. P+P Single Family Development Grant NOFA training for tribal entities.

 Mortgage Operations conducted 16 trainings. Housing Development held the LIHTC Fundamentals Training, the 2024 QAP training, and the Carryover Training. YTD: 33
- Q2 On Target | CDD conducted 16 Peer Exchanges/Networking Meetings. Homeownership conducted 23 formal training sessions. YTD: 72
- Q3 Met | CDD conducted 18 Peer Exchanges/Networking Meetings. . Homeownership conducted 20 formal training sessions YTD: 110

HD provided HUD Risk Share 542c Developer Training. A group training for The Interagency Forum: Supporting Affordable Housing in El Paso, Las Cruces and Surrounding Areas. A training session on the State Tax Credit program for developers. Presented Housing NM's single-family development loans at two workshops hosted by the New Mexico Manufactured Housing Association. Presented the Carryover and PIS/8609 trainings for developers.

Q4 CDD provided peer exchanges on Renter's Insurance and Utility Arrears 8/24/24; LEP landlord liaison training for NMCEH 8/14/24; WebEx with potential partners about ROC 8/20; CoC Peer Exchange: Match overview, Invoicing, Expenditure Benchmarks, Partner Collaboration, Client Stories 9/18/24. HOPWA Networking Group: FMR exceptions, CAPER, Resources/FAQ, HOPWA Institute conference 9/24/24; Overview and discussion of changes coming to rehab on 9/10/24; Energy Out West conference to present on proper monitoring of agencies; two Technical Calls and 2 Equity and Inclusion Calls (10 for the quarter). Homeownership conducted 14 trainings in Q4. YTD 140



Benchmark: 12

Benchmark: Plan the MFA housing summit, open house, or networking event.

- Q1 New | Selected venue for 2025 Housing Summit.
- Selected Event Coordinator for Housing Summit.

 On Target | Kicked off Planning meetings for Open House (2024) and Housing Summit (2025).
- Q3 On Target |

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

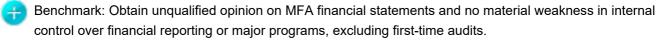
Housing Summit: Plenary Speakers have been chosen and review of contracts will be completed in Quarter 4. Vendor for videography services has been finalized and contract executed. Vendor for conference app and registration portal has been chosen and contract executed.

Met I

Open House (December 10, 2024): Planning committee has continued to meet to determine catering, décor, music, signage and other event details. The Save the Date has been emailed. Committee is working to confirm final list of invitees, and invitation is planned to be emailed in FY25 Q1. Committee has toured the Jefferson building to determine location of various items (check-in table, coat rack, food/beverages, music, signage, photo station). Caterer will visit building to determine detailed location of food/beverage items. Housing Summit (September 17-19, 2025): Plenary speakers have been chosen, and contracts are being reviewed. Vendor for videography services has been finalized and contract is being reviewed by Policy & Planning for compliance. Vendor for conference app and registration portal has been chosen and contract executed.

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

Benchmark: 13



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.
- There was no issuer rating activity during the quarter;
 On Target | MFA maintains a Aa3 rating on its issuer credit rating.
- Q2 On Target | There was no issuer rating activity during the quarter; MFA maintains a Aa3 rating on its issuer credit rating.
- Q3 On Target | There was no issuer rating activity during the quarter; MFA maintains a Aa3 rating on its issuer credit rating.
- Q4 Met | There was no issuer rating activity during the quarter; 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 Caution | Operating performance and profitability as of 12/31/2023 is 8.58%.
- Q2 On Target | Operating performance and profitability as of 3/31/2024 is 11.36%.
- Q3 On Target | Operating performance and profitability as of 6/30/2024 is 10.93%.
- Q4 Met | Operating performance and profitability as of 8/31/2024 is 15.09%.

Benchmark: 16

- Benchmark: Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 24.82%, based on five-year average.
- Q1 Caution | Balance sheet strength as of 12/31/2023 is 23.81%.
- Q2 Caution | Balance Sheet strength as of 3/31/2024 is 23.93%.
- Q3 Caution | Balance sheet strength as of 6/30/2024 is 23.48%.
- Q4 Not Met | Balance sheet strength as of 8/31/2024 is 23.57%.

Benchmark: 17

On Target |

- Benchmark: Realize administrative fee of at least 18 basis points on all bond issues.
- Q1 On Target | 2023 Series D closed in Q1 with an administrative fee of 0.18%.
- Q2 On Target | 2024 Series A/B closed in Q2 with an administrative fee of 0.18%
- Q3 On Target | 2024 Series C/D closed in Q3 with an administrative fee of 0.18%.
- Q4 Met | 2024 Series E/F closed in Q4 with an administrative fee of 0.18%.
- Benchmark: 18
 Benchmark: Realize profitability of 0.5% on TBA executions.
- 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 1.63%.
- Q2 On Target | MFA settled HomeForward loans via TBA in Q2; loans settled during the quarter realized a profitability of 1.73%.
- Q3 On Target | MFA settled HomeForward loans via TBA in Q3; loans settled during the quarter realized a profitability of 1.75%.
- Q4 Met | MFA settled HomeForward loans via TBA in Q4; loans settled during the quarter realized a profitability of 1.89%.
- Benchmark: 19
 Benchmark: Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio.
- Q1 On Target | Servicing fee yield is on target at .39%
- Q2 On Target | Servicing fee yield is on target at .45%.
- Q3 On Target | Servicing fee yield is on target at .39%.
- Q4 Met | Servicing fee yield is on target at .39%.
- Benchmark: 20
 Benchmark: Earn 100% base fees for PBCA contract.
- Q1 On Target | All PBCA tasks were completed as required by the contract, and 100% of the base fees were earned for this quarter.
- Q2 On Target | As of 3/31/2024, all PBCA tasks were completed as required by the contract, and 100% of the base fees were earned.
 - On Target |
- As of June 30, 2024 all PBCA tasks were completed as required by the contract, and 100% of the base fees were earned for this quarter.
- Q4 Met | As of 9/30/2024 all PBCA tasks were completed as required by contract and 100% of the base fees were earned for the year.
- Benchmark: 21
 Benchmark: Yield a collection rate of 98% or greater for compliance monitoring fees.
- Q1 On Target | Invoices for compliance fees were processed and sent out to owner/agents this quarter.
- Q2 Caution | As of 3/31/2024, 96.7% of the fees have been collected.
- Q3 Met | As of June 30, 2024, 99% of Compliance fees have been collected.
- Q4 Met | As of 9/30/2024, 99.75% of the compliance fees have been collected for the year.
- Benchmark: 22
 - Benchmark: Meet commitment and expenditure requirement of 95% of recurring grant funding.
- Q1 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 12/31/2023
- Q2 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 3/31/2024
- Q3 On Target |

On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 6/30/2024

Met I

Q4 Benchmark Met. Approximately \$6.3 million in funds could have expired in FY 2024 as of 9/30/23. Just over 252,000 expired. Housing NM used 96% of the funding that was set to expire in FY 2024.

Benchmark: 23

- Benchmark: Commit 75% of STB recurring funding annually in resources for affordable housing through expenditure of New Mexico Housing Trust Funds by June 30, 2024.
- Q1 On Target | Committed 49.96% rounded to 50% of the STB funding as of Dec. 31, 2023.
- Q2 Met | Committed 100% of STB recurring funding and expended 18% as of March 31, 2024.

Met |

Q3 Committed 100% of STB recurring funding was procured, \$33,112,498 (88%) was awarded, and \$13,901,830.28 (37%) was expended as of June 30, 2024.

Expended \$18,386,475.14 (49%) of the SFY 2024 STB recurring funding as of September 30, 2024.

Q4

Met | Expended \$2,759,348.06 (8%) of the SFY 2025 STB recurring funding as of September 30, 2024

Benchmark: 24

Benchmark: Increase funding by at least one new source.

- Q1 Met | City of Albuquerque for the Landlord Engagement Program (\$303,335.00)
- Q2 Met | New Mexico Legislative Appropriation \$50 million. YTD 2

Met |

\$1,000,000 awarded to MFA by Congresswomen Melanie Stansbury through the Community Project Funding (CPF) program for transitional housing for women and children.

\$1,670,000 awarded to MFA by EMNRD/ECMD through the Community Energy Efficiency Development (CEED) Program for "bringing fuel-switching and lower energy cost to rural New Mexico." (4/19/2024)

YTD 4

Met |

Q4 \$2 million in Sustainable Energy Resources for Consumers (SERC) funding through the Department of Energy to install renewable energy systems and other energy technologies not covered under WAP YTD 5

a

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, agency time, and helping to hit the 5% QCI requirement; 3) WAP is now using smart tablets to make inspections more professional and organized; 4) Project request was submitted for Invoicing notifications to be sent to Service Providers for all Programs reminding them when invoices are due or if they are late, which is helping to better track expenditure rates; 5) Updated Rehab checklist to create less redundancy for HOME rehab providers; 6) As a result of the new HOPWA Networking Group discussions, staff is now working with service providers on a monthly basis to prepare for the annual HOPWA CAPER in smaller sections to ensure that providers know how and what to report. Streamlined public inquiries for assistance through Hubspot by type of inquiry. YTD: 8

Q2 Met |

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

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

Met |

CDD: 1) changed Linkages policy to allow 150 days for clients to find housing after voucher is issued; 2) streamlined monitoring docs in Tracker for ESG/HOME-ARP; 3) at our request, DOE approved the use of the online energy audit for the single family providers. This saves hours of time for both the providers and MFA, and allows our technical team to easily review any energy audit entries for any home completed this program year; 4) work with Monte Frank to streamline and bring HOME Rehab into compliance and update manuals; 5) HIP is now checking the WAP database for cases that were previously weatherized prior to sending to Project Manager for initial inspection, so there is an idea of what was replaced and it serves as a QC for weatherization but also helps in determining the rehab scope of work; 6) Moved Linkages to SHC and Barrett and ESG/HOME-ARP to Catholic Charities; 7) Received approval from PC for additional WAP Program Manager; 8) Released new Risk Assessment Tool that is better set up to determine agency risk and changed monitoring requirements based on assessment ratings; 9) Master Contracts and FSAs - providers only sign one master contract per program year and then one FSA for each program they administer rather than both for every program. P+P developed and implemented NMHTF dashboard for reporting and fund tracking. YTD: 32

Q4 Met | HD created a significantly streamlined SF Development Program Application. YTD 33

Goal 4 - Provide robust technological solutions



Benchmark: 26

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

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).

On Target |

MFA's internal and external penetration testing was completed in Q2. MFA received a RiskSense Security Score (RS3) of 820 (low risk).

RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

On Target |

MFA's internal and external penetration testing executive report highlighted a total of 845 findings (3 Critical, 64 High, 623 Medium, 154

Low, and 1 Informational) all Critical and High items have been resolved, along with over 100 of the medium items. MFA received a Ivanti Security Score (RS3) of 816 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

Met |

MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 815. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q4. The average for the four quarters is 817.

a

Benchmark: 27

Benchmark: Achieve a Recovery Point Objective (RPO) for infrastructure servers at or below ten minutes and a

Recovery Time Objective (RTO) at or below six hours.

On Target |

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

On Target |

Q2 The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.

On Target |

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

Met |

Q4 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 remains at just over two hours, which is below the goal of six hours.



Benchmark: 28

Benchmark: Implement new software solutions.

Met

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

Met I

Implemented Tracker integration that allows providers the ability to send/receive monitoring visits information to NMES and Secure File Transfer for the remaining providers that do not use the Online Invoicing system, also added the contract renewal process to Online Invoice so the service providers can submit their renewal package via the online system. Automated Job Postings on the public website to link to ADP. HR can update the job posting in ADP and it will automatically add and remove the job posting to the public website. MITAS Servicing conversion to web. Automated creation of Power Lender purchase file for Homeownership to upload into MITAS, this downloaded 3 files from PowerLender SFTP site and combines them into one file to upload into MITAS.

Met |

Q4 Add capability for CDD programs managers to add new contracts, delete and deny invoices and budgets for NMES. Added data exports for Online Invoicing system for program managers to easily verify production data.

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.

Q1 Engagement survey conducted May 2023.
On Target | Identified Seven Categories requiring action items.

Q2 New | On Going and On target

Q3 ... On going and on target

New | New survey conducted with review and analysis underway

Q4

Met |

2022-2023: Seven categories identified with sub category action items complete

Career Growth and Development

- · Quarterly announcements for achievements and promotions
- · Review levels for positions to determine feasibility
- · Ability to self-nominate to LEADership Academy
- · Career growth and development needs during quarterly discussions

Communication and Resources

- · Supervisors training: Recognizing opinions even when not implemented.
- · Diversity and Inclusion
- Include staff when making decisions that affect their work

Engagement Outcomes

- · Supervisors to discuss with each direct report to determine what motivates each individual
- · Holding staff accountable

Future Outlook

· Priority to discuss goals and achievements on a quarterly basis

I am paid fairly

- · Compensation study complete with outcomes communicated. Resulted in some compensation adjustments.
- Trained on the tools within the HRIS System for understanding of total compensation

Trust in leadership

· Identified leaders in the organization so staff understood who they were rating.

2023-2024 Engagement Survey Complete



Benchmark: 30

Benchmark: Plan 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.

On Target |

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

On Target |

Planning committees are meeting regularly to create a moving timeline with assigned tasks and milestones for an anticipated September

2024 move. Committee members disseminate information to the respective department staff. External signage has been installed.

Renovations continue on schedule and key staff meet with contractor and architect weekly. Most of the internal painting has been done and carpet installed in most work areas. Systems furniture is being re-assembled.

Met

Q4 Housing New Mexico offices were successfully transferred to our Jefferson location by fiscal year end. A closing on the sale of the 344 4th Street building is scheduled for Oct 1, 2024



Benchmark: 31

Benchmark: Complete compensation review.

- Q2 On Target | Initial stages underway
- Q3 On Target | Compensation study complete. Analysis is underway for potential changes.
- Q4 Compensation survey complete
 Met | Analysis complete

Housing New Mexico

FY 2024 Quarter 4 Strategic Marketing Overview

Kristie Garcia

Director of Communications & Marketing
Marketing & Communications Department





Rebrand Campaign

Public-Facing Efforts

Logo Teaser Video

Website

Press Conference

Logo Reveal Video

Employee Email Signature

Social Media Platforms

HubSpot Marketing Emails

Advertisements

Press Release

Table Covers for Outreach Events

Housing Development Banners

Quarterly Newsletter















Rebrand Campaign – Press Conference

Media Coverage

KOB TV

KRQE TV

Albuquerque Journal

Source New Mexico

City Desk ABQ

And more







Rebrand Campaign

Internal Efforts

Employee Training

Intranet

Templates

PowerPoints

Branded Polos

Webex Virtual Backgrounds









Move to Jefferson

HubSpot Eblast

Business Cards

Letterhead

Website

Social Media

Google Business Profile



Teri Baca

HOMEOWNERSHIP REPRESENTATIVE Homeownership

505-238-7375 tbaca@housingnm.org

7425 Jefferson St, NE Albuquerque, NM 87109 505-843-6880

www.housingnm.org









We are excited to share that Housing New Mexico | New Mexico Mortgage Finance Authority (MFA) has relocated! We are now operating from our new office location:

Housing New Mexico | MFA 7425 Jefferson St. NE Albuquerque, NM 87109

Sign Up for Our Quarterly Newsletter

Subscribe

Housing New Mexico | New Mexico Mortgage Finance Authority (MFA) 7425 Jefferson St NE Albuquerque, NM 87109

505-843-6880

Email Us



Press Releases

July 18

New Mexico Mortgage Finance Authority celebrates grand opening of East Paraje Apartments at Pueblo of Laguna

July 23

El Toro Community in Roswell receives single-family development funding from New Mexico Mortgage Finance Authority, providing more affordable housing for New Mexicans

July 24

New Mexico Mortgage Finance Authority announces findings from housing needs report, \$84.6 million in funding and an updated brand for the state's housing authority



Rebranding press conference



Press Releases

August 15

Housing New Mexico celebrates groundbreaking of Route 66 Flats in Albuquerque

September 5

Housing New Mexico partners with City of Albuquerque, New Mexico Coalition to End Homelessness on Landlord Engagement Program

September 25

Housing New Mexico celebrates groundbreaking of Farolito Senior Community in Albuquerque



Route 66 Groundbreaking



Article and Podcast

Article: August (Pub. 21 2024, Issue 2)
New Mexico Bankers Digest
New Mexico Mortgage Finance Authority's Several Home
Rehabilitation Programs



HOME

CURRENT ISSUE

New Mexico Mortgage Finance Authority's Several Home Rehabilitation Programs

Keeping Homes Affordable and Boosting Communities

i July 31, 2024



By Kristie Garcia, New Mexico Mortgage Finance Authority

Podcast: Federal Home Loan Bank of Dallas: BankCast Isidoro Hernandez, Housing New Mexico Executive Director/CEO



Our latest podcast features Isidoro Hernandez, executive director/CEO of Housing New Mexico talking about housing trends and how the agency partners with us to provide affordable housing for New Mexicans. https://bit.ly/3TUAHBw. You can find Bankcast on all major podcast apps. #InvestinginCommunities #AffordableHousing





Media Mention Analytics

Media Mentions

• 235

Audience Reached

Over 1 billion

Value of Publicity

Approximately \$26 million

Reached Rural Audiences

 For example: Alamogordo Daily News, Carlsbad Current Argus, Hobbs News-Sun, Los Alamos Reporter, Quay County Sun, Roswell Daily Record, Silver City Daily Press, The Gallup Independent





Advertising

Print Ads

- 2024 New Mexico Bankers Association Directory
- New Mexico Bankers Digest
- The Real Estate Book
- NAIOP Newsletter
- Venue Plus (Albuquerque Journal supplement)
- Las Cruces Bulletin's Aggie Hookup Supplement (advertise job opportunities)

Digital Ads

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

Google Ads (two campaigns)

- Down Payment Assistance
- Affordable Housing



The Real Estate Book



NM Society of CPAs E-Newsletter



Social Media













Quarter 4

July	August	September	TOTAL
Engagements:	Engagements:	Engagements:	Engagements:
2,788	791	1,262	4,841

Followers: Year Comparison

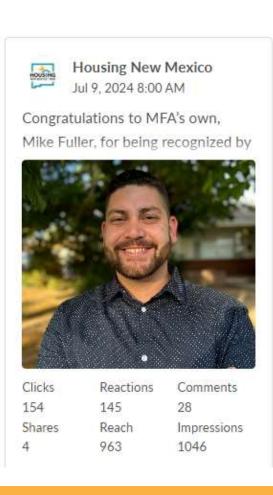
September 2023	September 2024
Facebook:	Facebook:
1,446	1,548
LinkedIn:	LinkedIn:
540	775
Instagram:	Instagram:
604	693
Twitter/X:	Twitter/X:
204	222
YouTube:	YouTube:
60	74

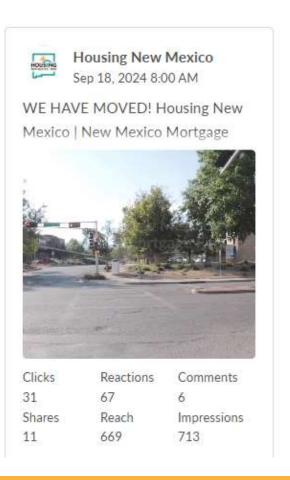


Social Media - Facebook











Social Media – LinkedIn







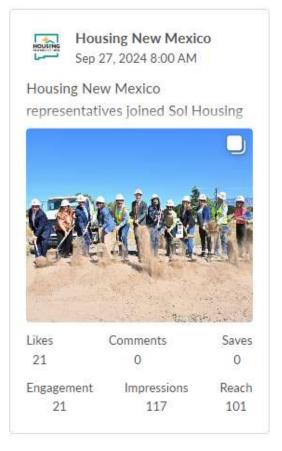




Social Media – Instagram









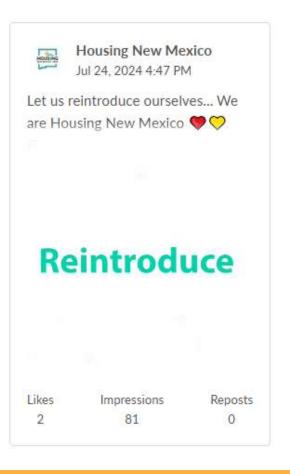


Social Media - Twitter/X



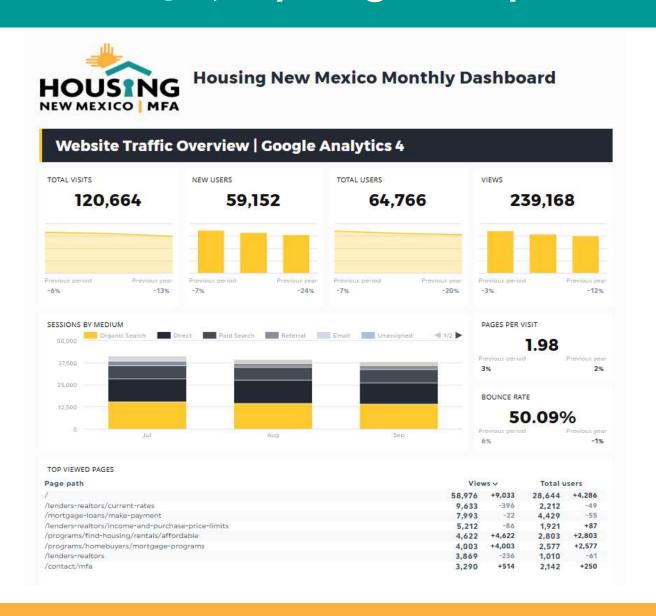








Website - Q4 (July-August-September)





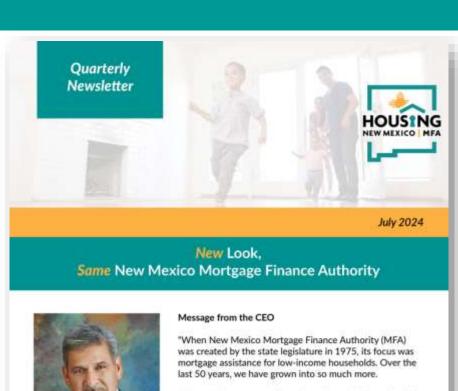
Quarterly Newsletter (July)

- Emailed to 3,550 people
- Available at housingnm.org
- Shared on social media

Housing New Mexico Newsletter

Stay Informed with Our Quarterly Newsletter!

Don't miss out on the latest updates, exclusive content, and valuable insights delivered right to your inbox. Join our growing community of subscribers and be the first to know about industry trends. new programs, and other exciting Housing New Mexico news. Sign up today!



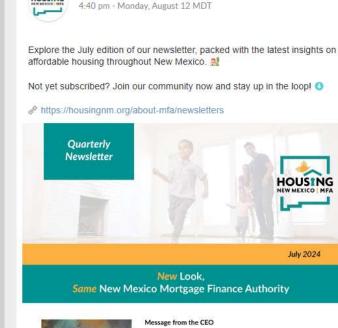
We recently announced our rebranding, which now includes 'Housing New Mexico' and a new logo with an outline of the state, reminding everyone that we serve all of New Mexico. From people experiencing homelessness, to those celebrating the purchase of their first home, Housing New Mexico creates opportunity across the housing continuum.

We are not officially or legally changing our name, but the idea is for us to be recognized as Housing New Mexico. As the state's housing authority, our vision is that all New Mexicans will have quality, affordable housing opportunities, and 'Housing New Mexico' truly encompasses what we work toward every day."

 Isidoro Hernandez CEO and Executive Director

Housing New Mexico.

"Lago above was used from 2009 - 2024



Housing New Mexico

"When New Mexico Mortgage Finance Authority (MFA) was created by the state legislature in 1975, its focus was mortgage assistance for low-income households. Over the last 50 years, we have grown into so much more.

We recently announced our rebranding, which now includes 'Housing New Mexico' and a new logo with an outline of the state, reminding everyone that we serve all of New Mexico. From people experiencing homelessness, to those celebrating the purchase of their first home, Housing New Mexico creates opportunity across the housing continuum.

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- Isidoro Hernandez CEO and Executive Director





July 12: Southeastern New Mexico Economic Development District/Council of Governments Quarterly Meeting (Roswell)

July 17: East Paraje Apartments Grand Opening (Pueblo of Laguna)

July 21: Manufactured Housing 50th Anniversary Conference (Santa Fe)

July 24: Press Conference (Albuquerque)

July 25-27: Independent Community Bankers of New Mexico Annual Meeting (Albuquerque)

August 7: Route 66 Flats Groundbreaking Ceremony (Albuquerque)

August 13-15: New Mexico Municipal League Annual Conference (Clovis)







August 14-16: New Mexico Association of REALTORS Annual Conference (Albuquerque)

August 16: Press Conference: Housing New Mexico Partners with City of Albuquerque and New Mexico Coalition to End Homelessness on Landlord Engagement Program (Albuquerque)

August 28: Regional Listening Session/Community Outreach Meeting and BiltWise Structures Tour (Roswell)

September 5: Community Outreach Meeting – Listening Session (Gallup)

September 7: With Many Hands Southeast New Mexico Food and Housing Summit (Alamogordo)

September 11: Housing Presentation to Rep. Montoya and Developers (Farmington)







September 12-13: New Mexico Bankers Association Annual Conference (Bernalillo)

September 18: U.S. Department of Housing and Urban Development El Paso/Las Cruces Housing Summit: Multifamily Housing Development (El Paso)

September 19: Community Outreach Meeting – Listening Session (Española)

September 25: Farolito Senior Community Groundbreaking Ceremony (Albuquerque)

September 26: Zuni Housing Summit (McKinley County)

September 28: Supportive Housing Coalition of New Mexico's Strike Out Homelessness Fundraiser (Albuquerque)













Highlight FY24 Production Numbers

- Annual Report
- Legislative 2-Pager
- Quarterly Newsletter (January)
- Social Media
- Print Advertisements
- Press Release
- Website





Open House

December 10, 2024 3 to 6 p.m.

Housing New Mexico office

Save the Date emailed August 8

Invitation emailed November 6







50th Anniversary Campaign

50th Anniversary Celebration Campaign (1975-2025)

Employee Logo Contest

Videos for Housing Summit

Social Media

Anniversary Book





In the mid-27Ds, states throughout the nation ware suitabilities broating agencies in order to take advantage of statest a to-supply broating suitability for alloration business. (Decasions above statishings on agree of statishing the states of the state

According to former state Dep. Adele Cinelli Hundley, legislators who "had the political muscle" to get the proposed focusing egency legislation passed were recturated herself and Dep. Golword J. Lopez. Tagether with Raymond G. Suntes, former Speaker of the House, the three introduced the Politiques France Authority Act in 1973 as House Bill 8.6. (In an interesting note, Rep. Cinelli Hundley's second hasband, Thomas Hundley, was MFAs first executive directors).

Reps. Cirelli, Lopez and Sanchez were members of the ac-called Mans Lucy Garg, a coalition of Democrats and a lew Republicans that were in leadership positions in the House of Representatives at that time. The name Mans Lucy was derived from the group's ferralm westering poles coffee shop and but in the Sizas Hotel of Les Viges. Gov. Apodeze had strong support from the Mans Lucies to establish MFA, but some members of the sidal seaders were of to size.



Housing Summit

September 17-19, 2025 Hotel Albuquerque Details currently being planned



Questions?

Kristie Garcia

Director of Communications & Marketing

Tel: 505-767-2268

Email: kgarcia@housingnm.org

7425 Jefferson St. NE, Albuquerque, NM 87109

Tel: 505-843-6880

www.housingnm.org



We Are Housing New Mexico



New Mexico Housing Trust Fund - \$500 Million

The New Mexico Housing Trust Fund (NMHTF) was established in 2005 by the legislature to fund the acquisition, building, rehabilitation, preservation, and financing opportunities to address the affordable housing needs of low- and moderate-income New Mexicans. According to data provided by the Department of Housing and Urban Development (HUD), 30% (236,625) of households in New Mexico have at least one housing problem. A transformative investment to the NMHTF is required to address the housing crisis facing the state. The New Mexico Mortgage Finance Authority (MFA), as the Trustee of the NMHTF, has established programs and partnerships to deploy NMHTF funds to meet the continuum of housing needs by

- building rental and homeownership housing,
- supplying downpayment assistance,
- · rehabilitating aging housing stock,
- funding homelessness and homelessness prevention programs,
- and investing in innovative affordable housing projects.

Local Government Set-Aside

Increasingly local governments, urban and rural alike, are seeking to spur affordable housing initiatives. In providing additional funding to the NMHTF through Housing New Mexico's proposed appropriation, 10% of the allocation would be set aside for local governments. While local governments are currently eligible to solicit NMHTF funding, the set-aside would ensure that municipalities and counties are guaranteed funding availability. As proposed, local governments would be required to leverage awards made through the set-aside at a rate of 3:1. Additionally, unawarded funds within the set-aside would be released from the set-aside restriction after one-year.

Who will the NMHTF investment serve?

Housing is considered affordable when housing costs do not exceed 30% of a household's income. The MFA Act allows Housing New Mexico to serve households earning up to 150% area median income (AMI) with the NMHTF. In Bernalillo County, 150% AMI means a two-person household earning up to \$129,600 could be eligible for programs funded through the NMHTF.²

What will this investment accomplish?

An investment of \$500 million would allow Housing New Mexico and its partners to serve an estimated 10,500 New Mexicans in addition to those approximately 20,000 families Housing New Mexico is able to serve currently. The table below provides an analysis of how a \$500 million appropriation could improve housing opportunities based on the approximate cost of various program types. Currently, Housing New Mexico

¹ Source: HUD Comprehensive Housing Affordability Strategy 2024 release. HUD identifies housing problems as: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room (overcrowding), and cost burden greater than 30%. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

² Other funding sources, primarily federal funding sources, often restrict projects or program to serving lower income households. When NMHTF is leveraged with more restrictive sources, the lower income limits are followed.



maximizes its federal resources for affordable housing, meaning transforming the housing landscape requires significant state investment.

	Assum	ptions	20	025		20	26		2027			
	Investm	ent Cost	Assitance Target	Inve	stment Cost	Assitance Target	In	vestment Cost	Assitance Target	Inv	estment Cost	
Down Payment Assistance*	\$10,000	per borrower	2,000	\$	20,000,000	2,400	\$	24,000,000	2,640	\$	26,400,000	
Rental Housing Development*	\$50,000	per unit	1,200	\$	60,000,000	1,440	\$	72,000,000	1,584	\$	79,200,000	
Single Family Housing Development*	\$250,000	per unit	500	\$:	125,000,000	600	\$	150,000,000	660	\$	165,000,000	
Single Family Housing Rehabilitation	\$150,000	per unit	100	\$	15,000,000	120	\$	18,000,000	132	\$	19,800,000	
Homeless and Homelessness Prevention – Permanent	\$100,000	per unit	200	\$	20,000,000	240	\$	24,000,000	264	\$	26,400,000	
Homeless and Homelessness Prevention –Homelessness	\$6,000	per household	1,000	\$	6,000,000	1,200	\$	7,200,000	1,320	\$	7,920,000	
To	otal		5,000	\$ 2	246,000,000	6,000	\$	295,200,000	6,600	\$	324,720,000	
Cumula	Cumulative Total				246,000,000	11,000	\$	541,200,000	17,600	\$	865,920,000	

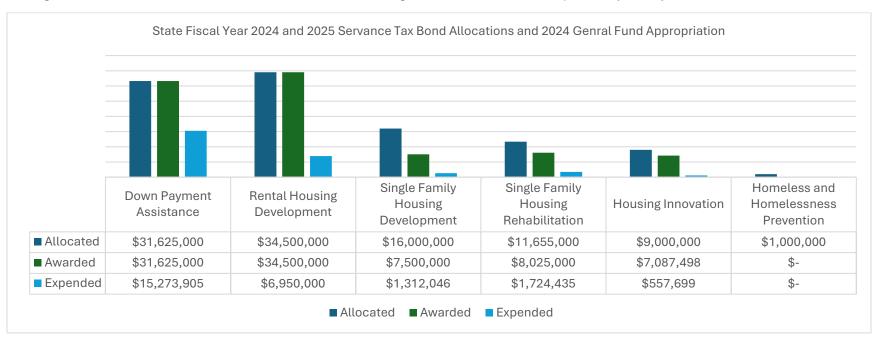
*For these programs, NMHTF awards are typically part of a larger capital stack, are among layered funding sources or administered as a revolving line of credit. The investment costs shown are an estimate of the portion NMHTF would cover.

Housing New Mexico balances NMHTF allocations to programs based on two primary criteria: meeting housing needs throughout the state and maintaining the sustainability of the funding source. Downpayment assistance and rental and single family housing development are administered as loans, generating program income and significant leverage. Housing New Mexico prioritizes grant funding for programs serving the most vulnerable populations, including those facing or experiencing homelessness as well as very low income seniors and veterans.



NMHTF Performance Metrics

In the 16 months since funding from the NMHTF severance tax bond earmark legislation became available, Housing New Mexico has awarded 73% and expended 21% of the \$122.15 million in NMHTF allocations, which includes \$72.15 million from the severance tax bond earmark (state fiscal year 2024 and 2025) and the one-time \$50 million appropriation. These performance metrics demonstrate Housing New Mexico's capacity to urgently deploy funding and serve households in need. The table below shows funding allocated, awarded, and expended by activity.



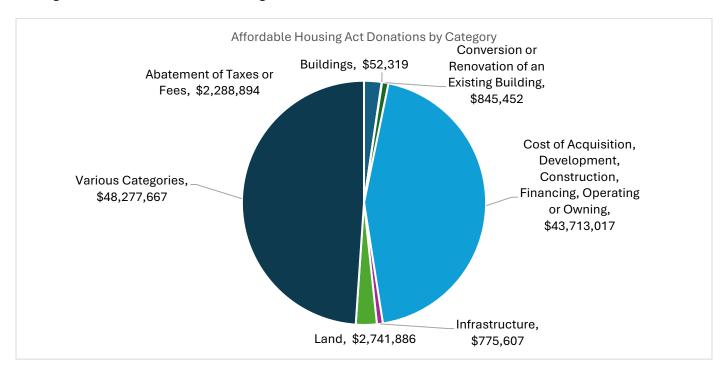


Affordable Housing Act – \$500,000

This appropriation will enable Housing New Mexico to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments in the drafting of an affordable housing plan and affordable housing ordinance, and 3) offer planning and implementation grants to local governments on an as-needed basis.

The Affordable Housing Act was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state's Anti-Donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. Housing New Mexico is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes.

The priority for this funding is to help local governments, municipalities, and jurisdictions implement approved housing plans and ordinances, paving the way for communities to increase housing stock and deploy housing solutions that meet local needs while leveraging local resources. To date, Housing New Mexico has assisted 39 local governments achieve Affordable Housing Act compliance support with creating affordable housing plans and ordinances. These local governments have donated land and resources totaling \$98.7 million for affordable housing as of November 2023.





New Mexico Housing Trust Fund Income Limits

2024 150% AMI by Household Size

	1	- Person	<u>2</u>	- Person	3	8- Person	4	- Person	<u>5</u>	- Person	<u>6</u>	- Person	<u>7</u> .	- Person	<u>8</u>	- Person
Bernalillo	\$	90,720	\$	103,680	\$	116,640	\$	129,600	\$	139,968	\$	150,336	\$	160,704	\$	171,072
Catron	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Chaves	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Cibola	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Colfax	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Curry	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
DeBaca	\$	85,785	\$	98,040	\$	110,295	\$	122,550	\$	132,354	\$	142,158	\$	151,962	\$	161,766
Dona Ana	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Eddy	\$	106,890	\$	122,160	\$	137,430	\$	152,700	\$	164,916	\$	177,132	\$	189,348	\$	201,564
Grant	\$	75,495	\$	86,280	\$	97,065	\$	107,850	\$	116,478	\$	125,106	\$	133,734	\$	142,362
Guadalup	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Harding	\$	75,915	\$	86,760	\$	97,605	\$	108,450	\$	117,126	\$	125,802	\$	134,478	\$	143,154
Hidalgo Hidalgo	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Lea	\$	77,490	\$	88,560	\$	99,630	\$	110,700	\$	119,556	\$	128,412	\$	137,268	\$	146,124
Lincoln	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Los Alamo		176,925	\$	202,200	\$	227,475	\$	252,750	\$	272,970	\$	293,190	\$	313,410	\$	333,630
Luna	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
McKinley	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Mora	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Otero	\$	82,530	\$	94,320	\$	106,110	\$	117,900	\$	127,332	\$	136,764	\$	146,196	\$	155,628
Quay	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Rio Arriba	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Roosevelt		76,650	\$	87,600	\$	98,550	\$	109,500	\$	118,260	\$	127,020	\$	135,780	\$	144,540
Sandoval	\$	90,720	\$	103,680	\$	116,640	\$	129,600	\$	139,968	\$	150,336	\$	160,704	\$	171,072
San Juan	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
San Migue		74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Santa Fe	\$	96,075	\$	109,800	\$	123,525	\$	137,250	\$	148,230	\$	159,210	\$	170,190	\$	181,170
Sierra	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Socorro	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Taos	\$	78,015	\$	89,160	\$	100,305	\$	111,450	\$	120,366	\$	129,282	\$	138,198	\$	147,114
Torrance	\$	90,720	\$	103,680	\$	116,640	\$	129,600	\$	139,968	\$	150,336	\$	160,704	\$	171,072
Union	\$	74,130	\$	84,720	\$	95,310	\$	105,900	\$	114,372	\$	122,844	\$	131,316	\$	139,788
Valencia	\$	90,720	\$	103,680	\$	116,640	\$	129,600	\$	139,968	\$	150,336	\$	160,704	\$	171,072

^{*}Housing New Mexico set an income limit floor based on the median income for the state to ensure counties with lower income levels are not disadvantaged.

_____ BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING APPROPRIATIONS TO THE NEW MEXICO HOUSING TRUST FUND TO CARRY OUT THE PURPOSES OF THE NEW MEXICO HOUSING TRUST FUND ACT AND TO MAKE MONEY AVAILABLE TO MUNICIPALITIES AND COUNTIES FOR AFFORDABLE HOUSING PROJECTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATIONS.--

A. Five hundred million dollars (\$500,000,000) is appropriated from the general fund to the New Mexico housing trust fund for expenditure in fiscal year 2026 and subsequent fiscal years for the New Mexico mortgage finance authority to carry out the purposes provided in Subsection B of this section and the purposes of the New Mexico Housing Trust Fund Act. Except as provided in Subsection C of this section, any unexpended or unencumbered balance remaining at the end of a

.229115.3SA

fiscal year shall not revert to any other fund.

- B. Ten percent of the amount appropriated pursuant to Subsection A of this section shall be made available for the New Mexico mortgage finance authority to award funding to a municipality or county for affordable housing projects, including new construction or rehabilitation of existing affordable housing; provided that the municipality or county:
- (1) can provide no less than three times the matching funds from sources other than the state;
- (2) has adopted affordable housing plans and ordinances pursuant to the Affordable Housing Act; and
- (3) shall administer the project pursuant to the rules of the New Mexico Housing Trust Fund Act.
- C. The New Mexico mortgage finance authority shall prioritize affordable housing projects funded pursuant to Subsection B of this section that are located in municipalities and counties that have expedited zoning processes that support affordable housing development projects. If any unexpended or unencumbered balance remains at the completion of a project, the municipality or county shall return the balance to the New Mexico mortgage finance authority, and the New Mexico mortgage finance authority shall deposit the returned amount in the New Mexico housing trust fund. Money not awarded for projects twelve months after the effective date of this section may be used to carry out the purposes of the New Mexico Housing Trust

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underscored material = new
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BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO CARRY OUT THE PURPOSES OF THE AFFORDABLE HOUSING ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION. -- Five hundred thousand dollars (\$500,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2026 and subsequent fiscal years for the New Mexico mortgage finance authority to carry out the purposes of the Affordable Housing Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

.229114.1SA

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

Department and	Project	Action Taken	Comments / Date Approved
Program			
Housing Development Department-	Ocate Apartments	Reserved \$390,000 in 2024 NM Affordable	Approved by Policy
NM Affordable Housing Tax Credit		Housing Tax Credits (State Tax Credits) for	Committee on October 2,
Program		Ocate Apartments.	2024
Housing Development Department-	Country Club Apartments	Reserved \$250,000 in 2024 NM Affordable	Approved by Policy
NM Affordable Housing Tax Credit		Housing Tax Credits (State Tax Credits) for	Committee on October 2,
Program		Country Club Apartments.	2024
Community Development	HIP request for NMHTF	Approved \$100,000 for HIP to be used for	Approved by Policy
Department – HIP	Reserve to cover single-	NMHTF funded projects previously approved by	Committee October 15, 2024
Emergency Housing Needs	family rehab projects	PC.	
Community Development	Service Provider Approval	Approved Hagerman Forward and Limited	Approved by Policy
Department – ROC Restoring Our		Physics PBC to be ROC service providers.	Committee October 15, 2024
Communities			
Policy and Planning Department	Government Relations	Staff recommend extending the Government	Approved by Policy
	Consultant Contract	Relations Agreement with John Anderson. This	Committee on October 22,
		extension request is based on a clause within	2024
		the Agreement that allows for a one-time, two-	
		year renewal.	

Multifamily Project Completion Pipeline Report

Fiscal Year: 2024	Total LIHTC Award:	\$ 69,985,919	Total Projects:	51
Quarter: 4th	Total MFA-Issued Bond Amount:	\$ 178,200,000	Total # of Apts:	4,765 Which will result in \$557,171,450 in local income and, 7624 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
Prepared: 10/1/2024	Total MFA Loan and Grant Amount:	\$ 109,530,876	# of Projects Under	36
			Construction:	
	Overall Awards:	\$ 357,716,795	Total # of Apts	2,934 Which will result in \$343,072,620 in local income and, 4694 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
			Under Construction:	
		#	of Municipalities	20 Pueblo of Laguna, Albuquerque, Rio Rancho, Las Cruces, Socorro, Belen, Hobbs, Taos, Mescalero, Pubelo fo Acoma, Los Alamos, Santa Fe, Los Ranchos de Albuquerque, Anthony, Village of Ruidoso, Artesia, Tucumcari, Tularosa, Cloudcroft, Silver Ci

of Counties

15 Cibola, Bernalillo, Sandoval, Dona Ana, Socorro, Valencia, Lea, Taos, Otero, Los Alamos, Santa Fe, Eddy, Lincoln, Quay, Grant

Reported at February	May August	and November	Roard Meeting	e for the prin	rauarter
Reported at rebruary	, iviay, mugusi	, and November	Doard Wiceting	3 IOI LITE PITO	quarter

<u> </u>		Reported at Feb	oruary, May, August, and Nove	mber Board Meetings for	the prior quarter																
Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Actua	osing Date al (A) or ected (P)	No of Apts	NC - New Construction or AR Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Occupancy/Placed in Service Date	LIHTC Award Amoun	t MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comment
																Actual (A) or Projected (P)					
Country Club	Santa Fe	Santa Fe	Santa Fe Civic Housing Authority	1/22/2024	\$ 21,593,630	5/22/2024	(P)	12/15/2024	62	AR/NC	Households with children	(P) 12/15/2024	(P) 4/30/2025	(P) 10/30/2025	(P) 4/30/2026	(P) 4/30/2026	\$ 1,240,5	58 N/A	\$ 400,000.00	HOME	
																			\$ 2,000,000.00	NMHTF	
																			\$ 400,000.00	NHTF	
Somos Apartments	Albuquerque	Bernalillo	Greater Albuquerque Housing Partnership	1/23/2024	\$ 21,751,638	5/22/2024	(P)	1/15/2025	70	NC	Seniors	(P) 1/15/2025	(P) 4/30/2025	(P) 10/30/2025	(P) 4/30/2026	(P) 4/30/2026	\$ 1,622,8	05 N/A	\$ 4,000,000.00) NMHTF	
Ocate Apartments	Santa Fe	Santa Fe	Santa Fe Civic Housing Authority	1/22/2024	\$ 22,275,632	5/22/2024	(P)	1/15/2025	60	NC	Households with Chrisldre	(P) 1/15/2025	(P) 4/30/2025	(P) 10/30/2025	(P) 4/30/2026	(P) 4/30/2026	\$ 1,622,8	05 N/A	\$ 400,000.00	HOME	
			Authority								Christare								\$ 3,000,000.00	NMHTF	
																			\$ 400,000.00	NHTF	
Laguna #4	Pueblo of Laguna	Cibola	Laguna Housing Development and	1/22/2024	\$ 11,482,452	5/22/2024	(P)	1/15/2025	40	AR	Households with children	(P) 1/15/2025	(P) 4/30/2025	(P) 10/30/2025	(P) 4/30/2026	(P) 4/30/2026	\$ 1,163,7	32 N/A	N/A		No loans
Elk Meadows	Village of Ruidoso	Lincoln	Management Enterprise Enriched Communities LLC	1/22/2024	\$ 19,477,026	5/22/2024	(P)	1/15/2025	61	NC	Household with	(P) 1/15/2025	(P) 4/30/2025	(P) 10/30/2025	(P) 4/30/2026	(P) 4/30/2026	\$ 1,496,0	00 N/A	\$ 400,000.00	HOME	
Apartments											children								2 000 000 00	NAME	
																			\$ 2,000,000.00		
Tierra Encantada	Anthony	Dona Ana	Tierra del Sol Housing	2023	<u> </u>	5/17/2023	(P)	11/15/2024	24	AR	Households with	(A) 3/7/2024	(P) 4/30/2025	(P) 7/30/2025	(P) 12/31/2025	(P) 12/31/2025	\$ 388,7	32 N/A	\$ 400,000		
			Corporation								children								\$ 2,000,000) NHTF	
																			\$ 750,000) Ventana	
																			\$ 100,000		approved Sept 2024
																			\$ 1,000,000		
Route 66	Albuquerque	Bernalillo	Blueline Development Inc.	2023	\$ 16,060,144	5/17/2023	(A)	5/30/2024	47	NC	Special Needs	(A) 4/8/2024	(P) 11/15/2024	(P) 3/30/2025	(P) 12/31/2025	(P) 12/31/2025	\$ 1,417,0	00 N/A	\$ 1,701,121		HOME ARP awarded 11/22/2022
											(PSH)										
Felician Villa II	Rio Rancho	Sandoval	Chelsea Investments & CC	2023	\$ 20,254,528	5/17/2020	(A)	3/12/2024	65	NC	Seniors	(A) 3/12/2024	(A) 10/31/2024	(P) 2/28/2025	(P) 8/30/2025	(P) 12/31/2025	\$ 1,621,7	23 N/A	\$ 1,000,000	HOME-CHDO	
			Housing																		
9 Famalita Camian	Albuquerque	Bernalillo	Greater Albuquerque	2023	\$ 24,250,000	5/17/2023	N/A	No MFA loans	82	NC	Seniors	(A) 4/24/2024	(P) 11/30/2024	(P) 3/30/2025	(P) 11/15/2025	(P) 11/15/2025	\$ 1,622,8	05 N/A	\$ 400,000 N/A		
Farolito Senior Community			Housing Partnership		, -,,	3,3,,333	.,					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,70,555	(,, 3,33,233	(,, 13, 13, 13, 13, 13, 13, 13, 13, 13, 1		, ,,,,,,	.,,.	.,,,		
⁰ Laguna #3	Pueblo of Laguna	Cibola	Laguna Housing	2022	\$ 8,515,420	5/18/2022	N/A	No MFA loans	20	NC	Households with	(A) 1/9/2023	(A) 9/20/2023	(A) 4/24/2024	(A) 6/27/2024	(P) 12/31/2024	\$ 928,9	38 N/A	N/A	N/A	
Laguila #3			Development and Management Enterprise								Children										
Calle Cuarta	Albuquerque	Bernalillo	YES Housing	2022	\$ 18,948,536	5/18/2022	(A)	9/21/2023	61	NC	Households with	(A) 9/21/2023	(A) 5/17/2024	(P) 1/31/2025	(P) 12/15/2025	(P) 12/31/2025	\$ 1,078,5	10 N/A	\$ 915,000	HOME-CHDO	
				2023							Children						\$ 316,2	36	\$ 400,000	NHTF	Addt'l Tax Credits awarded for 20
																			\$ 1,000,000	NMHTF	Board approved 5/17/2023

Project Name	Project Location	Project County	Developer	Application or Allocation	Total Development	Board Approval Date	Loan Closing	Date	No of Apts	NC - New Construction or AR -	Housing Priority	Construction Start Approval Da	ate	33% Complete Date	66% Complete Date	Construction Completion	Certificate of	LIHTC Award Amount	MFA PAB Bond	MFA Loan and Grant MFA Loan	or Any Known Issues or Comments
·	,			Year	Cost (TDC)		Actual (A) Projected (or		Acquisition/Rehab	or N/A	Actual (A) or Projected (P)		Actual (A) or Projected (P)	Actual (A) or Projected (P)		Occupancy/Placed in Service Date Actual (A) or Projected (P)		Amount	Amounts Grant Progra	
² 120 La Plata	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 10,637,950	5/18/2022	(A)	12/27/2023	32	AR	Households with Children	(A) 3/27/2024	(P	P) 10/31/2024	(P) 2/15/2025	(P) 12/31/2025	(P) 12/31/2025	\$ 749,825	N/A	\$ 1,000,000 Ventana	
³ 9000 Veranda	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 12,211,462	5/18/2022	(A)	12/27/2023	35	AR	Households with Children	(A) 3/27/2024	(P	2) 10/31/2024	(P) 2/15/2025	(P) 12/31/2025	(P) 12/31/2025	\$ 765,840	N/A	\$ 1,000,000 Ventana	
⁴ Felician Villa Apartments I	Rio Rancho	Sandoval	Chelsea Investment Corp. & Catholic Charities	2022	\$ 16,322,792	5/18/2022	(A)	11/7/2023	65	NC	Seniors	(A) 11/20/2023	(A	A) 7/2/2024	(P) 10/31/2024	(P) 12/15/2024	(P) 12/31/2024	\$ 1,228,760	N/A	\$ 1,000,000 HOME-CHE \$ 400,000 NHTF	
				2000	47.400.000	5 /40 /0000	(0)	44/0/0000				44 (00 (0000		7/10/000	(0) 40/45/0004	(0)	(5)	4 4 4 4 4 4 4		\$ 2,800,000 ARPA-FRE	
5 The Three Sisters Apartments	Las Cruces	Dona Ana	Chelsea Investment Corp. & Catholic Charities	2022	\$ 17,423,330	5/18/2022	(A)	11/9/2023	69	NC NC	Households with Children	(A) 11/20/2023	(A	A) 7/10/2024	(P) 12/15/2024	(P) 12/31/2025	(P) 12/31/2025	\$ 1,341,912	N/A	\$ 1,000,000 HOME-CHE \$ 400,000 NHTF \$ 3,500,000 CSLFRF	
Vista de Socorro	Socorro	Socorro	JL Gray	2021	\$ 13,345,390	05/19/21	(A)	12/28/2023	32	NC	Special Needs	(A) 2/29/2024	(P	P) 10/31/2024	(P) 2/15/2025	(P) 12/31/2025	(P) 12/31/2025	\$768,507	N/A	(NMHTF) \$400,000 HOME	
											(PSH)									\$400,000 NHTF \$2,000,000 NMHTF \$1,000,000 TCAP	
Belen Vista	Belen	Valencia	Chelsea Investment Corp.	2021	\$ 12,026,396	05/19/21	(P)	5/30/2024	57	AR	Households with Children	(A) 9/29/2023	(P	2) 12/31/2024	(P) 9/30/2025	(P) 12/31/2025	(P) 12/31/2025	\$787,639	N/A	\$1,000,000 HOME-CHE \$400,000 NHTF	0
West Berry	Hobbs	Lea	YES Housing	2021	\$ 17,245,527	05/19/21	(A)	8/25/2022	56	NC	Seniors	(A) 11/30/2022	(A	A) 12/15/2023	(A) 11/6/2023	(A) 7/15/2024	(P) 10/31/2024	\$1,090,143	N/A	\$840,000 HOME-CHE	0
																				\$1,000,000 NMHTF \$2,000,000 ALTSD	
																				\$370,589 CDBG-CV \$627,026 CSLFRF	
9 Mariposa	Taos	Taos	Chelsea Investment Corp.	2021	\$ 14,308,030	05/19/21	(P)	6/15/2024	58	AR/NC	Households with Children	(A) 9/29/2023	(F	2) 10/31/2024	(P) 1/31/2025	(P) 6/30/2025	(P) 12/31/2025	\$1,069,704	N/A	\$1,000,000 HOME-CHE \$2,000 NMHTF	board approved NMHTF \$3,000,000 8/21/2024
																				\$400,000 NHTF	
() A'diidi ni'kuwaa	Mescalero	Otero	Mescalero Apache Housing Authority	2021	\$ 12,453,378	06/17/20	(A)	9/21/2022	40	NC NC	Special Needs (PSH)	(A) 2/10/2023	(A	A) 5/5/2023	(P) 12/31/2024	(P) 1/31/2025	(P) 1/31/2025	\$626,772	N/A	\$292,500 HOME \$400,000 NHTF	
1 PAHA Homes #2	Pueblo of Acoma	Cibola	Pueblo of Acoma Housing Authority	2020	\$ 7,559,179	06/17/20	N/A	No MFA loans	30	NC	Special Needs (PSH)	(A) 12/28/2020	(A	A) 11/4/2021	(A) 4/22/2022	(P) 12/31/2024	(P) 12/31/2024	\$671,000	N/A	N/A N/A	
2 Broadway/McKnight	Albuquerque	Bernalillo	Albuquerque Housing Authority	2020	\$ 14,073,432	05/31/22	(A)	8/5/2021	54	NC	Households with Children	(A) 9/13/2021	(A	A) 5/16/2022	(A) 9/12/2022	(A) 1/3/2024	(A) 5/18/2023	\$954,720	N/A	\$400,000 NHTF	8609's packet pending
			riousing Authority								Ciliuren									\$600,000 TCAP	
3 The Bluffs	Los Alamos	Los Alamos	Bethel Development & SW Regional	2019	\$ 12,871,284	06/17/19	N/A	No MFA loans	64	NC NC	Seniors	(A) 7/29/2021	(A	A) 7/28/2022	(A) 9/7/2023	(P) 11/15/2024	(A) 12/30/2023	\$1,028,671 \$102,867	N/A	N/A N/A	Pending 8609 Request Final Inspection Supplemental Credits 2024
4 Siler Yard: Arts + Creativity Center	Santa Fe	Santa Fe	New Mexico Inter- Faith Commmunity Housing Development Corp.	2019	\$ 17,412,768	06/17/19	N/A	No MFA loans	65	NC NC	Households with Children	(A) 06/23/20	(A	A) 4/15/2021	(A) 8/16/2021	(A) 10/12/2022	(A) 10/12/2022	\$1,040,000	N/A	N/A N/A	Pending 8609s Corrections

Project Name	Project Location	Project County	Developer	Application or Allocation		Board Approval Date	Loan Closing Date		No of Apts			Construction Start Approval Date			Construction Completion		LIHTC Award Amount		MFA Loan and Grant		Any Known Issues or Comments
				Year	Cost (TDC)		Actual (A) or Projected (P)			Acquisition/Rehab	or N/A	Actual (A) or Projected (P)	Actual (A) or Projected (P)	Actual (A) or Projected (P)	Date Actual (A) or Projected (P)	Occupancy/Placed in Service Date Actual (A) or Projected (P)		Amount	Amounts	Grant Programs	
West Mesa Ridge A	Albuquerque	Bernalillo	Chelsea Investment	2024	\$50,106,044	12/18/24	(P)	4/2/2025	128	NC	Households with	(P) 04/16/25	(P) 10/16/2026	(P) 4/16/2026	(P) 9/15/2026	(P) 9/15/2026	\$2,339,023	County-issued	\$2,000,000	NMHTF	26.1 Million in PAB
West West Mage A			Corporation & Yes Housing,								Children							bonds	\$800,000.00	HOME	
																			\$800,000.00	HOWL	
Tierra Linda	Albuquerque	Bernalillo	DBG Properties, LLC	2024	\$79,239,809	12/18/24	(P)	5/31/2025	240	NC	Households with Children	(P) 05/31/25	(P) 8/31/2025	(P) 9/30/2026	(P) 10/27/2027	(P) 10/27/2027	\$3,761,046	County-issued bonds	\$3,000,000.00	NMHTF	47.5 million in PAB
Sunset 1600	Roswell	Chaves	Synergy CDC	2024	\$11,406,219	11/20/24	(P)	1/1/2025	60	AR	Seniors	(P) 01/01/25	4/1/2025	(P) 10/1/2025	(P) 3/31/2026	(P) 3/31/2026	\$475,077	\$5,700,000	\$3,000,000.00	NMHTF	
																			\$1,000,000.00		
Cresta Ranch	Santa Fe	Santa Fe	Lincoln Avenue Communities	2024	\$103,995,896	10/16/24	(P)	12/1/2024	240	NC	Households with Children	(P) 12/08/24	(P) 3/8/2025	(P) 9/8/2025	(P) 4/8/2027	(P) 4/8/2027	\$4,702,152	County-issued bonds	\$4,000,000.00	NMHTF	60 Million in PAB
Peachtree Canyon II	Las Cruces	Dona Ana	Thomas Devlopment and NMHCDC	2023 (2024 QAP)	\$39,238,094	11/20/24	(P)	2/1/2025	144	NC	Households with Children	(P) 02/02/25	(P) 7/15/2025	(P) 12/15/2025	(P) 5/15/2026	(P) 5/15/2026	\$1,926,635	\$20,000,000	\$800,000.00	HOME	
			(Tom Andrews and Steven																\$1,500,000.00	NHTF	
																			\$2,000,000.00		
Turquoise Trail	Santa Fe	Santa Fe	Dominium - Santa Fe Leased Housing Development	2023	\$131,189,030	N/A - no MFA loans or bonds	N/A	No MFA loans	312	NC	Households with Children	(P) 12/30/24	(P) 6/15/2025	(P) 12/30/2025	(P) 6/30/2026	(P) 6/30/2026	\$6,115,499	County-issued bonds	\$3,000,000.00	NMHTF	70 Million in PAB
Encino Gardens	Albuquerque	Bernalillo	Encino Development and Management, Inc.	2023	\$32,894,496	11/15/23	(A)	2/23/2024	165	AR	Households with Children	(A) 03/28/24	(P) 11/30/2024	(P) 1/31/2025	(P) 6/30/2025	(P) 6/30/2025	\$1,502,840	County-issued bonds	\$800,000	HOME	24 Million in PAB
																			\$2,000,000	NMHTF	
																			\$1,000,000	CSLFRF	
La Serena	Albuquerque	Bernalillo	Thomas Development and	2023	\$ 31,043,417	10/18/23	(A)	2/28/2024	100	NC	Seniors	(A) 08/23/23	(P) 12/15/2024	(P) 3/15/2025	(P) 6/30/2025	(P) 6/30/2025	\$1,488,169	County-issued	\$800,000	HOME	19,661,209 PAB
			Supportive Housing Coalition															bonds			
																			\$1,500,000	NHTF	
																			\$1,000,000	NMHTF	
																			71,000,000	Niviiii	
JLG NM ABQ 2023	Albuquerque	Bernalillo	Community Preservation	2023	\$ 52,960,324	05/17/23		No MFA Loans	241	AR	Households with	(A) MFA Did not Approve	(A) 3/27/2024	(A) 8/16/2024	(P) 11/30/2025	(P) 11/30/2025	\$2,458,653	\$37,500,000	N/A		Mountain View II & III Apartments.
			Partners								children										Developer started construction without permission
JLG NM SAF 2023	Santa Fe	Santa Fe	Community Preservation Partners	2023	\$ 81,286,062	05/17/23		No MFA Loans	228	AR	Households with children	(A) MFA Did not Approve	(A) 8/28/2024	(P) 3/31/2025	(P) 11/30/2025	(P) 11/30/2025	\$3,361,695	\$60,500,000	N/A	N/A	Santa Fe Apartments & Sangre De Crist Apartments. Developer started
			r artifers								cinidien										construction without permission
Peachtree Canyon	Las Cruces	Dona Ana	Thomas Devlopment and NMHCDC	2023	\$ 40,693,965	04/17/24	(A)	9/30/2024	144	NC	Households with Children	(A) 09/09/24	(P) 2/15/2025	(P) 12/15/2025	(P) 4/15/2026	(P) 4/15/2026	\$1,809,597	\$21,500,000	\$800,000		Arch Comments sent 4/15 Pending additional Volume Cap \$1.5
			(Tom Andrews and Steven Rice)																		Million
			,																\$1,500,000	NHTF	
																			\$1,000,000	NMHTF	
	16	D A	The same Device and Consider	2022	Å 35.406.403	00/100/100	(0)	2/7/2024		NG.	6	(4) 2/45/2024	(4) 0/25/2024	(0) 2/45/2025	(0) 0/45/2025	(0) 0/45/2025	Å4 244 444	Cont. Stand	\$1,250,000		AC WILL DAD
Pedrena Senior	Las Cruces	Dona Ana	Thomas Devlopment Co and Northwest Integrity Housing	2023	\$ 25,406,492	09/30/23	(A)	3/7/2024	80	NC	Seniors	(A) 3/15/2024	(A) 9/25/2024	(P) 3/15/2025	(P) 8/15/2025	(P) 8/15/2025	\$1,211,411	County-issued bonds	800000	HOME	16 million PAB
			Со																		
																			\$1,500,000	NHTF	
																			\$1,000,000	NMHTF	
																			\$2,000,000	CSLFRF	
San Roque	Albuquerque	Bernalillo	Thomas Development and Supportive Housing Coalition	2022	\$ 48,423,556	1/20/2021	(A)	5/10/2023	137	NC	Households with Children	(A) 06/08/23	(A) 2/28/2024	(A) 8/13/2024	(P) 2/28/2025	(P) 2/28/2025	\$2,291,773	County-issued bonds	\$800,000	HOME	25,838,791 Million PAB
											3							2525			
																			\$2,622,031	NMHTF	
																			\$1,325,000		

Project Name	Project Location	Project County	Developer	Application or Allocation	Total Development	Board Approval Date	Loan Closing	r Data	No of Apts	NC - New Construction or AR	Housing Priority	Construction	n Start Approval Date	33% Complete Date	66% Complete Date	Construction Completion	Certificate of	LIHTC Award Amount	MFA PAB Bond	MFA Loan and Grant	MEA Loan or	Any Known Issues or Comments
Project Name	Project Location	Project County	Developer	Year	Cost (TDC)	воаги Арргочаг Баге	Actual (A) Projected) or	NO OI APIS	Acquisition/Rehab	- Housing Priority or N/A		A) or Projected (P)	Actual (A) or Projected (P)			Occupancy/Placed in Service Date Actual (A) or Projected (P)		Amount		Grant Program	Any known issues of confinents
Sandoval Flats	Rio Rancho	Sandoval	Dominium - Rio Rancho Leased Housing Development	2022 Reapplied 2024	\$ 74,302,735	8/21/2024	(P)	12/15/2024	216	NC	Households with Children	(P)	12/30/24	(P) 06/30/25	(P) 12/31/25	(P) 06/30/26	(P) 06/30/26	\$4,153,573	County-issued bonds	\$3,000,000	NMHTF	Re-applied for \$2MM NMHTF July 20: \$52 million in Bond Cap
Trailhead at Chamizal	Los Ranchos de Albuquerque	Bernalillo	Palindrome Properties Group	2022	\$ 54,948,042	N/A - no MFA loans or bonds	N/A	No MFA loans	204	NC	Households with Children	(A)	02/15/23	(A) 09/08/23	(A) 03/29/24	(P) 10/31/24	(P) 12/31/24	\$2,087,905	County-issued bonds	N/A	N/A	43,9 million in PAB
EMLI at Wells of Artesia	Artesia	Eddy	Liberty Multifamily	2021	\$ 39,469,339	01/19/22	(A)	7/28/2022	192	NC	Households with Children	(A)	08/10/22	(A) 3/12/2023	(A) 07/26/23	(A) 5/10/2024	(P) 12/31/24	\$1,734,183	\$33,000,000	\$800,000 \$500,000 \$500,000	HOME NHTF NMHTF	27.8 million PAB
Casa de Encantada	Rio Rancho	Sandoval	DBG Properties LLC	2021	\$ 33,439,628	07/21/21	(A)	10/21/2021	152	NC	Seniors	(A)	10/13/21	(A) 2/20/2023	(A) 12/08/23	(A) 9/19/2024	(P) 10/31/2024	\$1,508,725	County-issued bonds	\$2,000,000	NMHTF	23 million in PAB
Sandia Vista and Plaza David Chavez	Albuquerque	Bernalillo	Cesar Chavez Foundation	2019	\$ 39,558,374	N/A - no MFA loans or bonds	N/A	No MFA loans	213	AR	Households with Children	(A)	04/14/20	(A) 2/12/2021 (SV) (A) 5/14/2022 (DC)		(A) 9/29/21 (SV) (A) 7/31/2024 (DC)		\$1,340,250	County-issued bonds	N/A	N/A	24.5 Million in PAB Project construction is considered complete and accepted by MFA
Las Brisas	Albuquerque	Bernalillo	Post Las Brisas, LLC	2024	\$ 1,000,000	4/4/2024	(P)	11/30/2024	120	AR	N/A	(P)	TBD*	(P) N/A	(P) N/A	(P) N/A	(P) N/A	N/A	N/A	\$1,000,000	NMPLF	
Mountain View	Tucumcari	Quay	JL Gray	2021	\$ 995,044	4/21/2021	(A)	2/7/2024	45	N/A	N/A	(A)	03/07/24	(P) N/A	(P) N/A	(P) N/A	(P) N/A	N/A	N/A	\$995,044	PRLF	Closed 2/7/2024 Funds do not require inspections according to LIHTC sched
Las Rosas I	Tularosa	Otero	JL Gray	2019	\$ 682,555	7/15/2020	(A)	8/5/2024	28	AR	N/A	(A)	09/05/24	(P) N/A	(P) N/A	(P) N/A	(P) N/A	N/A	N/A	\$682,555	PRLF	Funds do not require inspections according to LIHTC schedule.
Las Rosas II	Tularosa	Otero	JL Gray	2019	\$ 925,710	7/15/2020	(A)	8/5/2024	29	AR	N/A	(A)	09/05/24	(P) N/A	(P) N/A	(P) N/A	(P) TBD*	N/A	N/A	\$925,710	PRLF	Funds do not require inspections according to LIHTC schedule.
Sacramento Apts	Cloudcroft	Otero	JL Gray	2019	\$ 510,726	7/15/2020	(A)	7/24/2024	20	AR	N/A	(A)	08/15/24	(P) N/A	(P) N/A	(P) N/A	(P) TBD*	N/A	N/A	\$510,726	PRLF	Funds do not require inspections according to LIHTC schedule.
Lamplighter Inn	Santa Fe	Santa Fe	JL Gray	2021	\$ 8,737,339	11/17/21	(P)	12/15/2024	58	AR	Special Needs (PSH)	(P)	12/15/24	(P) 4/15/2025	(P) 7/15/2025	(P) 10/15/2025	(P) 10/15/2025	N/A	N/A	\$4,200,000	DFA CDBG-CV	
Cornerstone	Silver City*	Grant**	BlueLine Development Inc.	2022	\$ 8,863,574	11/16/2022	(P)	12/15/2024	20	AR	Homelessness	(P)	12/15/24	(P) 04/15/25	(P) 07/15/25	(P) 10/15/25	(P) 10/15/25	N/A	N/A	\$8,721,574	HOME ARP Grant	

*Approved for Lordsburg, Location change pending pending pending approval

Q1: Added Peachtree Canyon II 4% and Turquoise Trail; closing dates-changed P to A La Plata, 9000 Veranda & Vista De Socorro; construction start date change P to A Felician Villa I & The Three Sisters. Construction completion date P to A for JLG Central (6), 6100 Harper

Q2: Removed Ceja Vista & Hiland Plaza. Construction date change P to A Felician Villa II, Pedrena, Tierra Encantada, Encino Gardens, 120 La Plata, 9000 Veranda, Vista de Socorro; loan closed from P to A for Mountain View

Q3: Added 9% Country Club, Somos, Ocate, Laguna #, Elk Meadows; Added 4% Cresta Ranch; Added Loans Only Las Brisas; Updated construction date from (P) to (A) on Felician Villa II, EMLI Wells of Artesia and 550 Paseo; Updated Completion Construction date (P) to (A) Laguna #3; Central (6 Projects) Completed 5/17/2024 and 6100 Harper Completed 8609 Received in April. Removed Mountian View-closed Feb 2024,

Q4: Sacramento, Las Rosas I & II and Mountain View - closing dates changed from P to AND construction dates changed from P to AND construction dates will as fully completed. West Mesa Ridge A, Tierra Linda and Sunset 1600 were added. Removed Grants for Vista Mesa Villas

Q4 2024 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-one (51) ACTIVE PROJECTS representing:

- ~\$70.0 million in annual tax credits
- ~\$178.2 million in MFA-issued bonds
- o ~\$109.5 million in MFA loans & grants
- o Totaling \$357,716,795 in combined funding
- Consisting of 4,765 apartment units
- Located in 20 municipalities in 15 counties across the state.

Three (3) project CLOSINGS in Q4 2024:

- Route 66 Flats, a 48-unit 2023 9% LIHTC / HOME ARPA New Construction Permanent Supportive Housing project located in Albuquerque.
- Sacramento Apartments, a 20-unit 2020 USDA Preservation Revolving Loan Fund Rehabilitation project located in Cloudcroft.
- Peachtree Canyon Apartments- a 144-unit New Construction project located in Las Cruces.

Thirty-six (36) projects are currently UNDER CONSTRUCTION:

- Nine projects were added, and four projects were completed and removed, so there are now 36 projects currently under construction.
- Approximately four projects are expected to be completed by the end of the first quarter of fiscal year 2025.
- Seven projects have been completed and are pending final close-out documentation.

Upcoming Ground Breakings/Ribbon-cuttings:

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

Estimated Economic Impact of the 36 projects (2,934 units) currently under construction:

- Approximately \$343 million in local income
- Approximately 4,694 jobs

Eventual Economic Impact of all 51 projects (4,765 units) once under construction:

- Approximately \$557 million in local income
- Approximately 7,624 jobs

New Mexico Housing Trust Fund Monthly Overview

November 20, 2024

New Mexico Housing Trust Fund Funding Source	otal Allocation	Total Procure	ement	Total Awarde	d	Procured but not Awarded	To	tal Expended (as of 2024)	October 31,	Awards Proposed at 11/2024 Board Meeting	Award Amount	Activity
Severance Tax Bond 2024	\$37,530,000.00	\$37,530,000.00	100%	\$ 34,900,000.00	93%	\$2,630,000.00	\$	20,171,554.46	54%			
Severance Tax Bond 2025	\$34,620,000.00	\$34,620,000.00	100%	\$ 34,620,000.00	100%	\$0.00	\$	4,256,653.15	12%			
Legislative 2024 \$50 Million Allocation	\$50,000,000.00	\$31,630,000.00	63%	\$ 19,217,498.00	57%	\$30,782,502.00	\$	1,389,878.03	3%	Tierra Linda Apartments	\$ 3,000,000.00	Gap Financing
Total	\$122,150,000.00	\$103,780,000.00	85%	\$ 88,737,498.00	73%	\$33,412,502.00	\$	25,818,085.64	21%			

Awards in green are included in the total awarded but are being proposed at the current MFA Board of Directors meeting. All awards and expenditures are as of the final Policy Committee meeting on November 5, 2024.

New Mexico Housing Trust Fund by Awards

November 20, 2024

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Household s)	County
Homeownership Department	FirstDown Plus	\$ 10,625,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	708	Statewide
Homeownership Department	HomeForward DPA	\$ 1,000,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	67	Statewide
Southwest Regional Housing and Community Development		\$ 134,655.19	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 98,999.86	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	1	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Home Improvement Program		\$ 728,737.21	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	27	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
San Felipe Pueblo		\$ 37,607.74	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	Sandoval County
Central New Mexico Housing Corporation		\$ 475,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB		Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$ 300,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB	21	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Restoring Our Communities Program		\$ 2,000,000.00	Preserve Existing Affordable Housing	Restoring Our Communities	SFY24 STB	12	Bernalillo County
Chelsea Investment Corp.	Three Sisters	\$ 3,500,000.00	Create More Housing	Gap Financing	SFY24 STB	70	Dona Ana County
La Serena Apartments, LLC	La Serena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	100	Bernalillo County
Pedrena Apartments LLC	Pedrena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	80	Dona Ana County
NCNO Limited Partnership, LLLP	Encino Senior Gardens	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	165	Bernalillo County
Peachetree Canyon Limited Partnership (to be formed)	Peachtree Canyon	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY24 STB	144	Dona Ana County

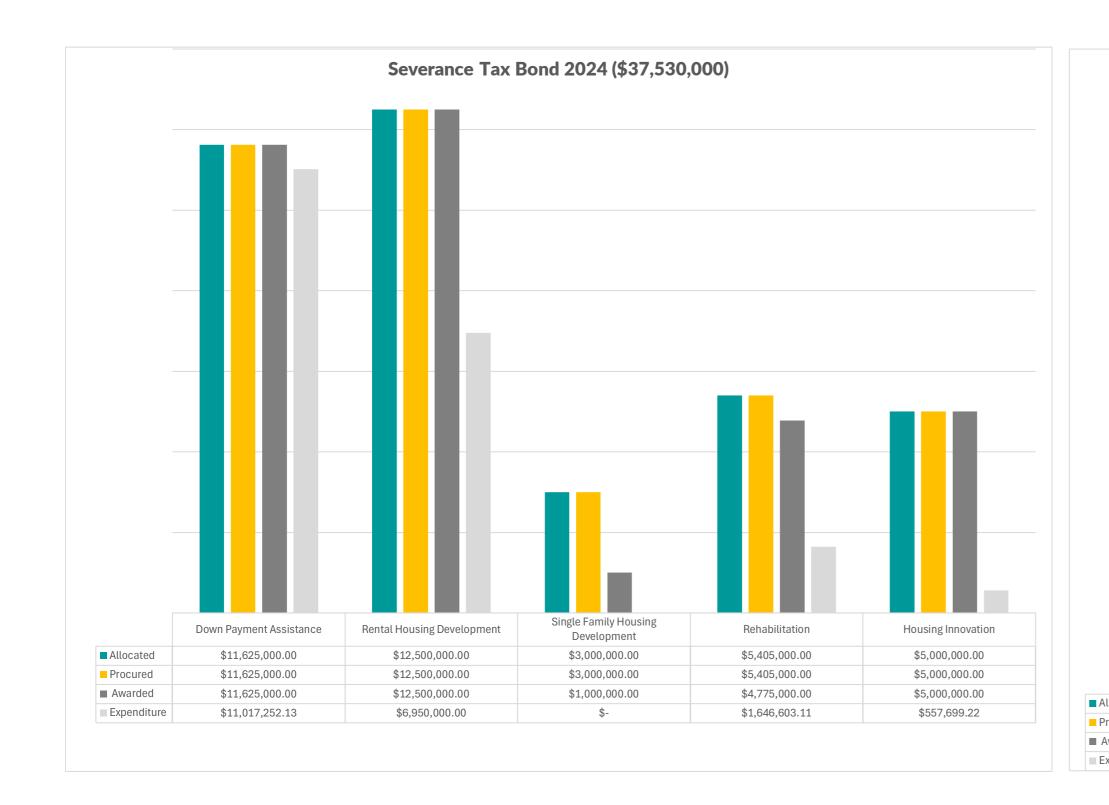
Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Household s)	County
EC Ruidoso LP	Elk Meadows Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	72	Lincoln County
Post Las Brisas, LLC	Las Brisas Apartments	\$ 1,000,000.00	Preserve Existing Affordable Housing	Preservation	SFY24 STB	120	Bernalillo County
Homewise	Sombra del Oeste	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	10	Bernalillo County
Homewise	Miraflores	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	7	Santa Fe County
Town of Silver City		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	8	Grant County
NM Ramp Project		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB		Bernalillo, Chaves, Cibola, Dona Ana, Eddy, Lea, Los Alamos, Luna, Rio Arriba, Roosevelt, San Juan Sandoval, Santa Fe, Torrance, and Valencia Counties
Sawmill CLT		\$ 262,498.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	105	Bernalillo County
HagermanForward Inc.		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	18	Chaves County
San Felipe Pueblo		\$ 450,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	24	Sandoval County
Ohkay Owingeh		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	10	Rio Arriba County

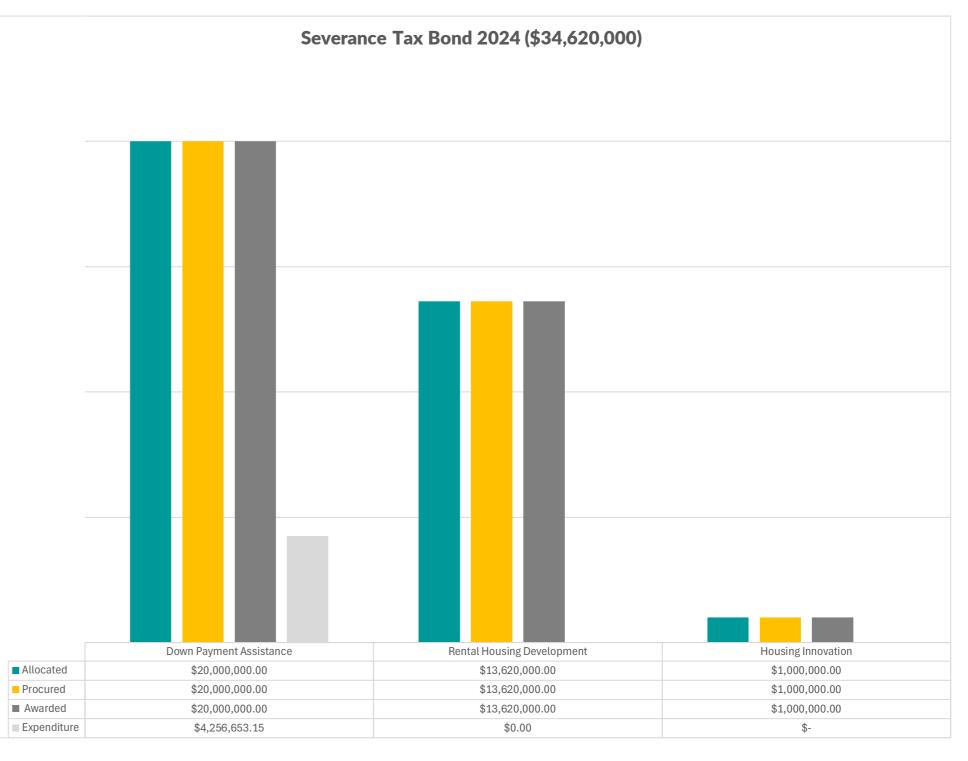
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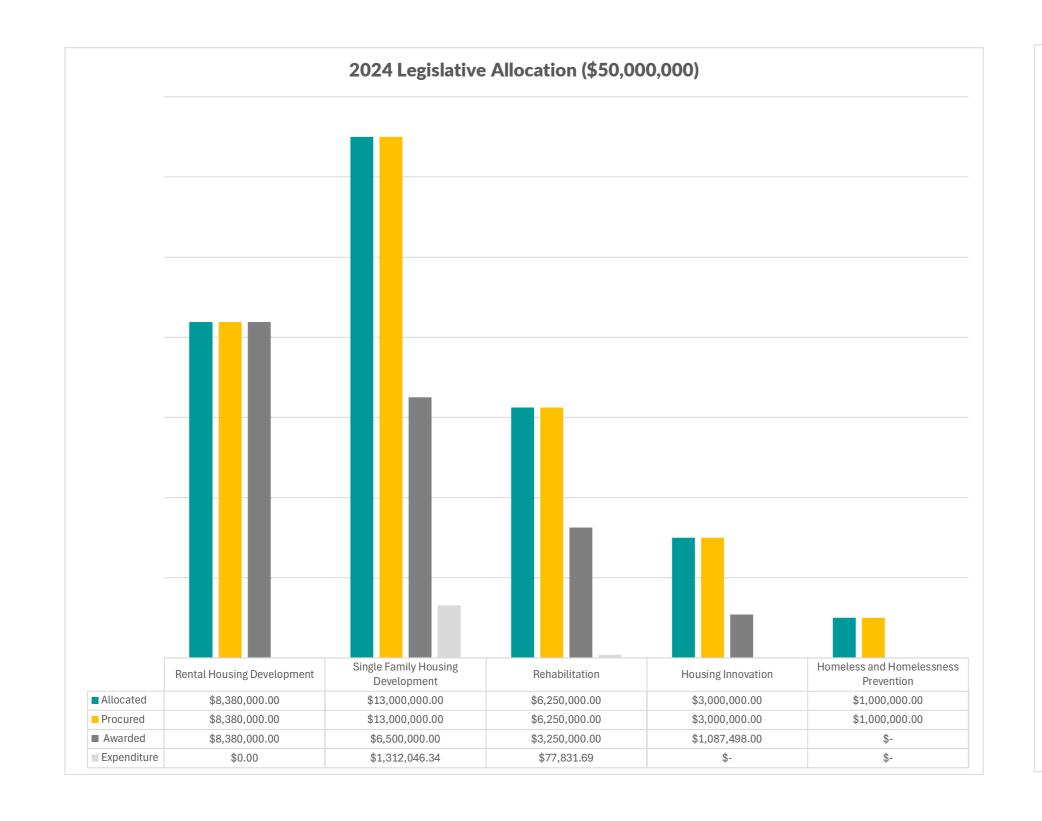
Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Impact	County
North Central New Mexico Economic Development District		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	4	Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Sandoval, Santa Fe, and Taos
Homeownership Department	FirstDown Plus	\$ 15,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	1,033	Statewide
Homeownership Department	HomeForward DPA	\$ 4,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	300	Statewide
Somos Apartments Limited Partnership	Somos Apartments	\$ 4,000,000.00	Create More Housing	Gap Financing	SFY25 STB	70	Bernalillo County
Ocate SF, LLC (to be formed)	Ocate Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	60	Santa Fe County
Country Club SF, LLC (to be formed)	Country Club Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	62	Santa Fe County
Chelsea Investment Group	Mariposa Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY25 STB	51	Taos County
Rio Rancho Leased Housing Authority I, LLF	Sandoval Flats	\$ 1,620,000.00	Create More Housing	Gap Financing	SFY25 STB	216	Sandoval County
Rio Rancho Leased Housing Authority I, LLF	Sandoval Flats	\$ 1,380,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	216	Sandoval County
Preservation and Reinvestment Initiative for Community Enhancement Grant		\$ 1,000,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY25 STB	18	Statewide
Artisan's Guild Contracting, LLC	El Toro Community	\$ 3,000,000.00	Create More Housing	SF Development	2024 Legislative Allocation	29	Chaves County
YSM Development Advisors LLC	Salazar South	\$ 2,500,000.00	Create More Housing	SF Development	2024 Legislative Allocation	81	Taos County
Home Improvement Program		\$ 500,000.00	Preserve Existing Affordable Housing	Home Improvement Program	2024 Legislative Allocation	19	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Central New Mexico Housing Corporation		\$ 125,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	9	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	5	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Redfeather Development		\$ 50,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	4	Navajo Nation

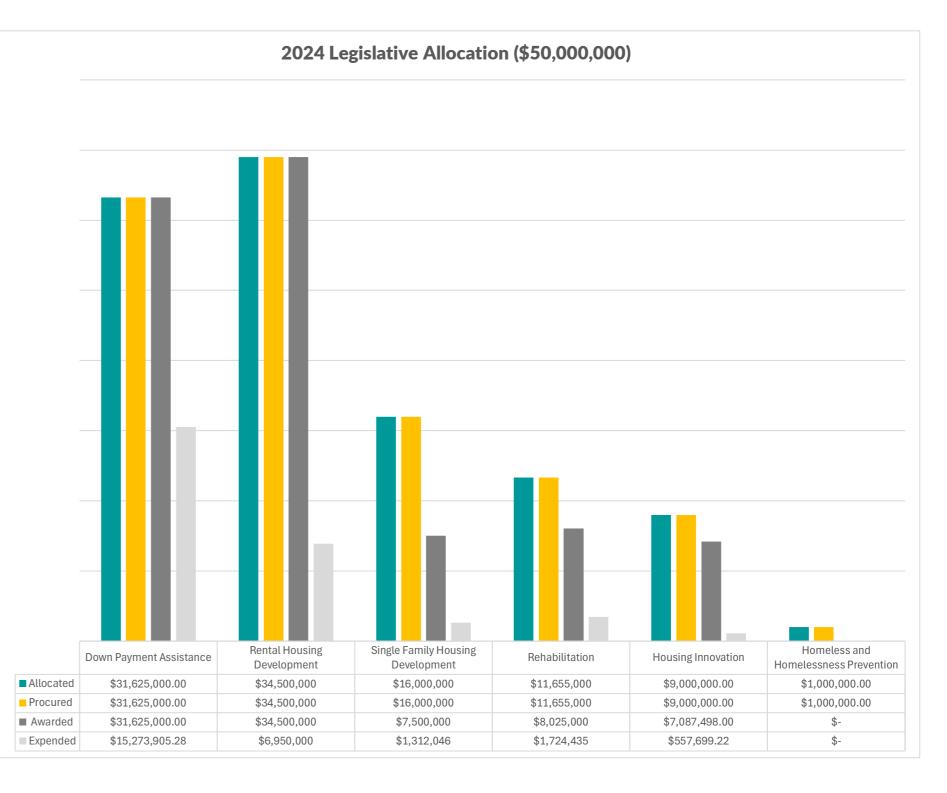
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Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Household s)	County
Central New Mexico Housing Corporation		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	5	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$ 2,400,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	170	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Redfeather Development		\$ 25,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	2	Navajo Nation
City of Las Cruces		\$ 1,500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB		Dona Ana County
Village of Ruidoso		\$ 287,502.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	10	Lincoln County
Village of Ruidoso		\$ 712,498.00	Preserve Existing Affordable Housing	Housing Innovation	2024 Legislative Allocation		Lincoln County
Forget Me Not Park		\$ 375,000.00	Preserve Existing Affordable Housing	Housing Innovation/ Homeless and Homelessness Prevention	2024 Legislative Allocation	40	Socorro County
Tierra del Sol Housing Corporation	Vado New Horizons	\$ 1,000,000.00	Create More Housing	SF Development	2024 Legislative Allocation	56	Dona Ana County
Lincoln Avenue Communities	Cresta Ranch	\$ 4,000,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	240	Santa Fe County
DBG Properties	Tierra Linda Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	240	Bernalillo County
Total		\$ 88,737,498.00					











Quarterly Report to the MFA Board of Directors Q4 FY2024

Production Statistics	Current Quarter	Same Quarter	Fiscal Year to Date
Homeownership			
Number of loans reserved	662	773	2,872
Amount of loans reserved	\$158,655,017	\$175,520,428	\$667,181,637
Number of loans purchased	597	671	2,385
Amount of loans purchased	\$140,886,438	\$148,323,568	\$554,884,977
Number of homebuyers counseled	787	588	3,073
Number of lenders/REALTORS contacted	1,525	1,538	5,888
Housing Development			
Amount of MF loans/grants/bonds	\$30,261,847	\$100,315,000	\$60,365,156
Amount of SF loans/grants	\$3,000,000	\$0	\$3,000,000
Amount of TC: LIHTC (MF) & State (MF & SF)	\$1,779,082	\$1,394,826	\$11,362,783
Number of MF units	164	603	899
Number of SF units	29	0	29
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$460,108	\$564,206	\$1,603,259
Number of units rehabilitated	5	5	31
Amount of NM Energy\$mart expenditures	\$3,108,942	\$3,074,370	\$13,812,092
Number of units weatherized	158	204	852
Shelter & Supportive Housing Programs	•		
Amount of shelter supportive service	\$565,645	\$1,739,557	\$1,632,158
Number of persons served 1	2,351	2,006	5,718
Amount of rental assistance 2	\$2,489,674	\$1,792,608	\$9,134,327
Number of persons assisted	1,040	466	1,998

- 1 Coc & EHAP, Espanola Shelter
- 2 HOPWA, Linkages, , RR/HP & YHDP



The need for housing rehabilitation and

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



The need for MFA mortgage products:

MFA borrowers have an average annual income of \$73,302 and purchase homes with an average price of \$249,642. 23.62 percent are single-parent households; 64.05 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 89.45 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

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.

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 Q4 FY2024

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage Direct Servicing Delinquency Rate	9.09	3.70	
Partners Program delinquency rate	12.64	16.00	
DPA loan delinquency rate	8.56	8.14	
Multifamily loan delinquency rate	1.08	0.00	
Combined delinquency rate - Current Month	8.49	8.12	
Combined average delinquency rate-FY	8.42	8.21	9.50
Default rate (writeoffs/foreclosure losses)	0.88	0.69	1.30
Master Servicing MBS delinquency rate	10.51	10.37	
REO Inventory - # of loans	0	0	
REO Inventory - Exposure	\$0	\$0	

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	60	196	172
Number of units inspected	494	1739	N/A
Number of files reviewed	564	1873	N/A
Number of PBCA activities	311	1212	N/A
Community Development			
Number of required monitorings ³	4	4	31

^{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 20 funding sources with 48 partners across the state. Our partners deliver housing services to more than 7,800 individuals and receive approximately \$64 million in funding. Monitoring is performed on a regular basis to ensure program compliance.



MFA's Servicing Department:

Provides direct servicing for over 17,000 loans with a principal balance over \$374 million. Direct Servicing first mortgage delinquency is 9.09 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 12.02 percent.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 4.14 percent for all loans in New Mexico and 9.07 percent for FHA in New Mexico as of 6/30/2023.

As of 6/2024, the FHA Delinquency on new purchases was 13.55 percent.